



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

No: 8669-70 /FD/PESCO/CP&C

Dated: 28/02/2023

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/I,
ISLAMABAD.

Subject: **ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION MARGIN (DM) FOR DISTRIBUTION & SUPPLY FUNCTIONS FOR FY 2023-24 & PRIOR YEAR ADJUSTMENTS (PYA) UNDER MULTIYEAR TARIFF (MYT) REGIME.**

Reference: i. No. NEPRA/R/ADG(Trf)/TRF-564/PESCO-2021/8685-8687 dated 02-06-2022.
ii. No. NEPRA/R/ADG(Trf)/TRF-565/PESCO-2021/8764-8766 dated 02-06-2022.

Pursuant to directions issued in Tariff Determinations for both Distribution and Supply function vide letters under reference, annual indexation/adjustment for FY 2023-24 of PESCO is enclosed herewith along with Prior Year Adjustments (PYA) under Multiyear Tariff (MYT) regime, as per details below:

- Annual Revenue Requirement for FY 2023-24 along with its breakup into Distribution & Supply function.
- Proposed O&M Cost for FY 2023-24 along with its breakup into Distribution & Supply function.
- Breakup of Other Income (Audited) into Distribution & Supply function.
- Prior Period Adjustments.
- RORB for FY 2023-24 (calculation is based on 3 months KIBOR + 2.00% spread on bi-annual basis) and its breakup into Distribution & Supply function.
- Audited Accounts for FY 2021-22, the adjustments may be allowed on Audited accounts basis

We shall be grateful if the Authority shall give due consideration to our application to allow the Indexation/Adjustment for FY 2023-24 (enclosed as **Annex-A** along with supporting documents) per the current notified tariff vide SRO No. 1173(I)/2022 dated 25-07-2022 and SRO No. 190(I)/2021 dated 12-02-2021, consequent upon the determinations of the Authority in respect of PESCO dated 02-06-2022, 11-12-2020 and 14-12-2020 respectively. The application is supported with all requisite data and supporting material.

**CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR**

Cc to:

Section Officer (Tariff), Ministry of Energy (Power Division), Islamabad for information.

REGISTRAR OFFICE

Diary No: 92349

Date: 06/3/23

For information & n.a, please.

• ADG (Tariff)

Copy to:

- DG (M&E)

- M/F

CC: Chairman

- M (Tariff)

**ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION MARGIN (DM) FOR DISTRIBUTION
& SUPPLY FUNCTIONS FOR FY 2023-24 & PRIOR YEAR ADJUSTMENTS (PYA) UNDER
MULTIYEAR TARIFF (MYT) REGIME**

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**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
ISLAMABAD**

**APPLICATION FOR ANNUAL ADJUSTMENT/INDEXATION
OF DISTRIBUTION MARGIN FOR FY 2022-23 & PRIOR YEAR
ADJUSTMENT UNDER MULTIYEAR TARIFF REGIME
FY 2020-21 TO FY 2024-25**



**THE PESHAWAR ELECTRIC SUPPLY COMPANY LTD. (PESCO)
WAPDA HOUSE, SHAMI ROAD, PESHAWAR THROUGH ITS
CHIEF EXECUTIVE OFFICER, ENGR. ARIF MEHMOOD.**

1. Applicant

1.1 Peshawar Electricity Supply Company Limited (PESCO) is an Ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 25th April 1998 vide company registration No. L09497 of 1997-98 under section 32 of the Companies Ordinance 1984.

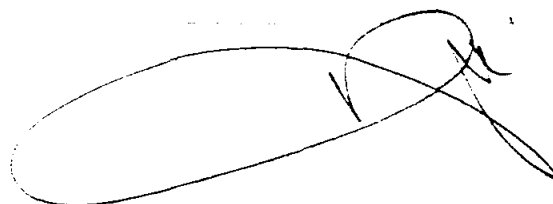
1.2 Principal business of PESCO is to provide electricity in Khyber Pakhtunkhwa jurisdiction of PESCO under License No.07/DL/2002 dated 30-04-2002 (the Distribution License) which is extended vide letter No. NEPRA/R/DG(Lic)/LAD-07/23507 dated 13-12-2022, issued by NEPRA.

2. Background

2.1 PESCO filed Multi-Year Tariff Petition for the Determination of its Consumer End Tariff for FY 2020-21 to FY 2024-25 on 03-06-2021 as per revised NEPRA Act for the Determination of Distribution (Non-sale element) Tariff and Supply of Power (Consumer End Tariff) and NEPRA issued determinations on 02-06-2022 respectively and notified by GoP dated 25-07-2022. PESCO filed a Review Motion on 13-06-2022 on the Tariff Determined by NEPRA and the decision of Review was issued by the Authority on 23rd January, 2023. It is pertinent to mention, that NEPRA in its decisions dated 23-01-2023 has not considered PESCO request for review under various heads, hence, PESCO filed an Appeal under section 12G of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against the said decisions of the Authority before the Appellate Tribunal.

2.2 Pursuant to the directions of the Authority given in Tariff Determination for Distribution (Non-Sale Element) Tariff and Supply of Power (Consumer End Tariff), PESCO has to submit its Annual Adjustment / Indexation of Distribution Margin for FY 2021-22 along-with Prior Year Adjustment under Multiyear Tariff Regime. The Prior Year Adjustment (PYA) has been worked out on the basis of actual data for FY 2021-22, which allows PESCO for truing up certain O&M expenditure for recovery of its cost of service at current market prices to maintain its financial viability, this request for indexation is being submitted for the Financial Year 2023-24.

2.3 According to the NEPRA directions in Determinations for Distribution (Non-sale element) Tariff and Supply of Power (Consumer End Tariff) issued on 02-06-2022 respectively and notified by GoP dated 25-07-2022, the following adjustments/indexations are hereby submitted as per amended NEPRA Act, 2018 with all supporting documents for consideration of Authority.



2.4 Salient Features of the Application

The main objective of this application is to request NEPRA to allow Annual Adjustments/Indexations of Distribution Margin for FY 2023-24 along-with Prior Year Adjustment under Multiyear Tariff Regime. The input data, Deferred Credits together with calculation of WACC, Salaries & Wages, Post-Retirement Benefits, Repair & Maintenance Costs, Other Operating Expenses, and other matters as discussed in subsequent sections used for determination of Power Purchase Price, Distribution Margin and Prior Year Adjustment be allowed enabling PESCO to generate enough revenue to perform its obligatory duties as prescribed by Authority.

3. TARIFF ANALYSIS

According to the approved mechanism of indexation/adjustment provided in the MYT Determinations for FY 2020-21 to FY 2022-23 dated June 02, 2022, the projected components of the Company's tariff are as under:

Table-I

Mln Rs.

Description	Distribution Tariff	Supply of Power	TOTAL
O&M Cost	19,721	10,513	30,234
Depreciation	3,938	438	4,376
Return on Rate Base	9,770	2,442	12,212
Less: Other Income	(3,174)	(1,446)	(4,619)
Distribution Margin (D.M)	30,255	11,947	42,203
Turnover Tax	-	3,737	3,737
Prior Period Adjustments	12,015	4,931	16,946
Gross Revenue Requirement	42,271	20,615	62,886

3.1 Summary of tariff assumptions:

- Inflation:* The NCPI to be used in indexing the tariff yearly is the one that is notified by the Pakistan Bureau of Statistics. For the purposes of this petition, NCPI of 24.47% of December 2022 has been taken.
- Efficiency Factor:* The X factor has been set a 0% for the tariff period.
- Operating Gross Fixed Asset (GFA):* The value of the Opening GFA used for the indexation/adjustment for FY 2022-23 has been taken on the basis of the financial statements of FY 2021-22 (enclosed as **Annex-B**) and FY 2020-21.
- Cost of Debt:* In view of Tariff Determination for MYT period, the Cost of Debt has been computed on the basis of fluctuation in the reference KIBOR biannually, i.e. July & January each year.
- Basis for Bifurcation:* The bifurcation of Revenue Requirements component for Distribution & Supply functions of PESCO has been made as per the approved mechanism in the MYT Determination, as given below in Table-2.

Table-2: Bifurcation of Distribution Margin

Description	Distribution Tariff	Supply of Power	Overall
	% Share	% Share	% Total
O&M Costs:			
Pay & Allowances	66%	34%	100%
Travelling Expenses	71%	29%	100%
Vehicle Running Expenses	76%	24%	100%
Other Expenses	14%	86%	100%
Repair & Maintenance	96%	4%	100%
Total O&M Cost	65%	35%	100%
Depreciation	90%	10%	100%
Return on Rate Base	80%	20%	100%
Less: Other Revenues	69%	31%	100%
Distribution Margin (D.M)	57%	43%	100%

4. Distribution Margin:

The proposed adjustment under Distribution Margin for FY 2023-24 for Distribution & Supply Function is hereunder:

Table-3: Breakup of Distribution Margin

Min Rs.

DESCRIPTION	ACTUAL	PROJECTED	PROJECTED
	FY'2021-22	FY'2022-23	FY'2023-24
O & M Cost	26,406	26,417	30,234
Depreciation	3,709	4,025	4,376
Return on Rate Base	5,324	9,685	12,212
Less Other Income	-4,400	-4,180	-4,619
Distribution Margin	31,039	35,947	42,203

The projected Distribution Margin for FY 2022-23 has been adjusted by considering the MLR determination of PESCO and the annual impact of various pending adjustments and accordingly the baseline has been revised for FY 2022-23 for the calculation of Indexation request for FY 2023-24 as per Table-4 given below:

Table-4: Projected Distribution Margin for FY 2022-23

Min Rs.

DESCRIPTION	Determined	Adj. in Review Decision	Re-Determined	Pending Adjustments	Projected (Adjusted Baseline)
	FY'2022-23	FY'2022-23	FY'2022-23	FY'2022-23	FY'2022-23
O & M Cost	24,081	1,443	25,524	892	26,417
Depreciation	3,789		3,789	237	4,025
Return on Rate Base	4,495	3,019	7,514	2,172	9,685
Less Other Income	-4,180		-4,180	-	-4,180
Distribution Margin	28,184	4,462	32,646	3,301	35,947

5. Operating & Maintenance Cost:

According to said MYT mechanism, the O&M cost which is part of PESCO's Distribution Margin (DM) shall be indexed with Consumer Price Index (CPI). Accordingly, the O&M cost will be indexed every year according to the following formula:

$$O\&M_{Rev} = O\&M_{Ref} \times [1 + (\Delta CPI - X \text{ factor})]$$

Where:

O&M (Rev) = Revised O&M Expense for the Current Year.

O&M (Ref) = Reference O&M Expense for the Reference Year

ΔCPI = Change in Consumer Price Index published by Pakistan Bureau of Statistics latest available on 1st July against the CPI as on 1st July of the Reference Year in terms of percentage.

X = Efficiency factor

Based on this mechanism, the projected O&M Cost for the FY 2023-24 for Distribution of Electric Power and Supply of Electric Power comes to Rs. 30,234 Million as elaborated below:

Table-5: Breakup of O&M Cost

Mln Rs.

DESCRIPTION	ACTUAL FY'2021-22	PROJECTED FY'2022-23	PROJECTED FY'2023-24
Operating & Maintenance			
Salaries and Benefits	12,656	15,554	17,590
Post Retirement Benefits	11,006	7,981	9,178
Sub-Total	23,662	23,535	26,768
Repair and Maintenance	1,039	1,122	1,396
Traveling Expenses	283	314	391
Vehicle Expenses	203	226	282
Other Expenses	1,218	1,220	1,398
O & M Cost	26,406	26,417	30,234

The projected O&M costs for FY 2022-23 have been adjusted by considering the MLR decision of PESCO and the annual impact of various pending adjustments. As a result, the baseline has been adjusted for the FY 2022-23 to calculate the indexation request for the following FY 2023-24, as per Table-6 provided below:

Table-6: Basis for Projected O&M

Min Rs.

DESCRIPTION	FY'2022-23					FY'2023-24	
	DETERMINED	ADJ AS PER MLR DECISION	RE- DETERMINED	PENDING ADJ.	PROJECTED	MULTIPLYING FACTOR	PROJECTED
Operating & Maintenance							
Salaries and Benefits	14,853	-	14,853	701	15,554	18%	17,590
Post Retirement Benefits	6,642	1,311	7,953	28	7,981	15%	9,178
Sub-Total	21,495	1,311	22,806	729	23,535		26,768
Repair and Maintenance	1,055	-	1,055	67	1,122	24%	1,396
Traveling Expenses	314	-	314	-	314	24%	391
Vehicle Expenses	226	-	226	-	226	24%	282
Other Expenses	991	132	1,123	97	1,220	24%	1,398
O & M Cost	24,081	1,443	25,524	892	26,417		30,234

5.1 Pay & Allowances:

NEPRA has allowed the impact of increase in Salary etc. as announced by GoP for the respective year for the future indexation, till the time, PESCO remains in the Public Sector. It is pertinent to mention here that the increase in salaries, as notified by the GoP in July, 2022 may be considered and necessary adjustment in the determined amount for FY 2022-23 may be allowed in the base reference as per detail below.

1. Basic Pay Scales have been revised w.e.f 01-07-2022 by merging various Adhoc Reliefs allowances in the Basic Pay with a financial impact of around 48% increase in Basic Pay with a reduction of the same percentage in the other allowances.
2. Adhoc Relief Allowance allowed @ 15% on the running Basic Pay of 2017 pay scales w.e.f 01-07-2022.
3. The impact of DRA @ 15% for the remaining 08 months of FY 2022-23, being the amount of 04 months already included in FY 2021-22.

The same has been included as Prior Year Adjustment. Based on the above mechanism and the directions provided in the MYT Determinations, the projected Pay & Allowances for the FY 2023-24 comes to Rs. 17,590 Million considering the assumption of increment of 5% in the Basic Pay and 15% Adhoc Relief for the same period (Detail is enclosed as **Annex-C**).

Opener:

The Authority has decided to carry out the Mid-Year review specifically w.r.t. the new hiring (Para-38.1 of the MYT Determination for Distribution Tariff) to consider the financial impact thereof, however, since, PESCO is in the process of new hiring and it is not yet completed, hence, the Authority is requested to defer the Mid Year Review till next year, i.e. FY 2024-25.

5.2 Post-Retirement Benefits (Cash):

a) Similarly, as per MYT determination the amount of post-retirement benefits will also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time PESCO remains in the public sector. Based on this mechanism, and assuming 15% increase in pension for FY 2023-24, the projected cost of for the FY 2023-24 comes to Rs. 9,178 Million. However, the cost pertaining to new retirees will be claimed separately on the basis of actual as was allowed by the Authority in MLR decision of PESCO.

b) Financial Implication of GENCO /NTDC Pensioners as PYA:

Economic Co-Ordination Committee in Case No. ECC-347/32/2021 dated 23.09.2021, has approved adjustment of Pensioners of GENCOs w.r.t Power Plants under closure. As per para no. 6 of the decision "Pensions of these employees will be paid by the relevant DISCOs on their retirement according to the rule of DISCOs, in turn the relevant DISCOs and WAPDA would claim adjustment of the same from NEPRA in their Tariff.

c) Similarly, GENCO's has transferred PENSIONERS whom worked under ELECTRICITY BOARDS of respective DISCOs (PESCO) having worked as Project Director's at 132KV Grid System; The Financial Impact of GENCO's Pensioners is as follows:

Table-7: Financial Impact of GENCO's Pensioners

Company	Year	No of Pensioners	Annual (Rs. In Mln)
GENCOs	FY 2021-22		9.993
GENCO-I	FY 2022-23	10	2.396
GENCO-II		14	3.783
GENCO-III		14	4.839
GENCO-IV		11	2.306
Sub Total		49	13.324
Total			23.317

Similarly, NTDC has forwarded 56 Nos. PPO files pertaining to EX- GSC retired employees of the formations transferred to PESCO in view of the Tariff Determination of FY 2014-15 for XWDISCOs by the Authority. Although, PESCO has repeatedly requested NTDC to take up the matter with NEPRA for a policy decision in this regard, however NTDC is referring the decision of WAPDA with reference to XWDISCOs pensioners and not accepting the said claims w.e.f. July-2014 resulting in cash flow problems for PESCO with outstanding arrears of Rs. 132 million upto June 2022 and the same are accumulating on monthly basis with annual financial implication of around Rs. 14.6 million approx. (detail is enclosed as **Annex-D**).

Accordingly, Financial Impact of NTDC Pensioners is as under;

Table-8: Financial Impact of NTDC Pensioners

Company	Year	No of Pensioners	Annual (Rs. In Mln)
NTDC Pensioners	2014-15 & 2021-22	56	116.656
	2022-23		14.582
Total			131.237

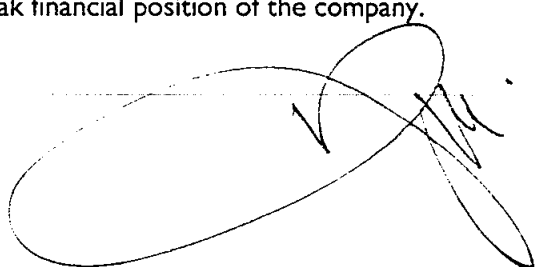
Moreover, Authority in PESCO MLR decision has directed to submit the matter in the next indexation/adjustment request, accordingly, the same has been included/claimed as part of PYA with the request to allow the same to PESCO.

5.3 Post-Retirement Benefits (Non-Cash):

As per the Authority directions, PESCO has created a separate Pension fund, and provision for post-retirement benefits expenses is required to enable it to transfer the funds to the designated bank account. Authority is therefore requested to allow the annual provision for post-retirement benefits amounting to Rs. 4,724 million for FY 2023-24 as the amount determined in the Review Decision will not be sufficient to serve the purpose.

5.4 R&M, Travelling, Vehicle Running & Other Expenses:

The R&M, Travelling, Vehicle Running & Other Expenses expenses as determined by the Authority for FY 2021-22 are less than the actual audited expense incurred by PESCO. PESCO is already facing financial hardship and the determination of other expenses by excluding various legitimate costs may hamper PESCO's ability to provide uninterrupted services to the consumers as it will further aggravate the weak financial position of the company.



Repair and Maintenance:

PESCO Audited expenditure under the head of Repair & Maintenance for FY2020-21 was Rs. 1,177 million, but the Authority has allowed only Rs. 863 million based on historical trends and a 9.5% inflationary impact. However, the audited expenditure increased by 49.36% during FY 2020-21 compared to FY2019-20 due to a revised repair policy approved by the BoD in 2019. The new policy requires PESCO to pay for all transformer repairs, regardless of AT&C losses of above 50% and subsequently revised to the extent of 80%. This change has heavily increased the Repair & Maintenance cost, and funds are needed to continue the policy in the interest of consumers. Therefore, the Authority may review the baseline of indexation by considering the actual expenditure of FY 2020-21. Additionally, the cost of materials such as copper, iron, and aluminum used in the production/repair of electrical equipment has increased abnormally due to international price fluctuations and rupee devaluation. The Authority should consider these changed market realities and accordingly allow the increase in Repair & Maintenance expenses.

Vehicle Running Expenses:

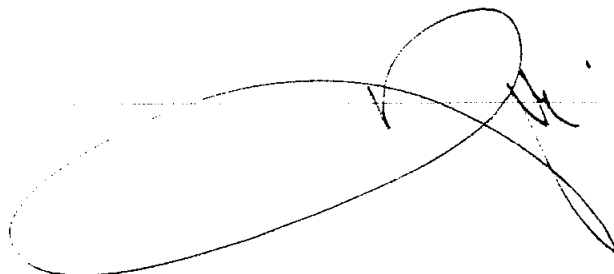
According to the MYT Tariff Determinations, the authority has taken the actual expenditure under the head of Vehicle Running of FY 2019-20 and allowed an inflationary increase for General Category (CPI) instead of Transport Category whereas, as per CPI for transport the inflation in price is 24.07% for the month of December 2021 and statistics taken from PSO website, the increase in POL prices has increased by 36.05% during FY 2021-22 whereas, increase of 12% has been allowed over FY 2020-21 for the same period and only 9% is allowed for FY 2022-23 which will be insufficient to meet the expenses and for sustainable smooth operations of the company. Hence, it is proposed that the inflationary increase may be based on the NCPI for Transport category in case of vehicle running expenses.

An analysis of the increase in POL prices for the last three years is tabulated below:

Table-9: Analysis of POL prices

Description	FY2019-20	FY2020-21	FY2021-22
Average Price of Petrol (Annual)	106.89	106.43	148.56
% Increase (yoy)		-0.43%	39.58%
Average Price of Diesel (Annual)	117.50	108.98	144.43
% Increase (yoy)		-7.25%	32.53%
Average POL Price (Petrol + Diesel)	112.20	107.70	146.49
% Increase (yoy)		-4.01%	36.05%

(Reference – PSO price bulletin, Comparative Statement is attached at **Annex-E**)



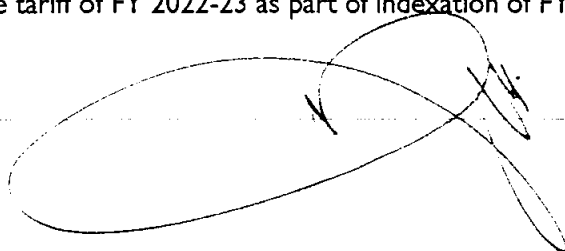
It is imperative to note that the proportion of expenditures relating to petroleum, oil, and lubricants (POL) is relatively higher (7%) in the O&M (excluding Pay, Allowances & Pension) category of PESCO in comparison to other expenses such as communication (1%), rent, rates, and taxes (4%), as per Financial Statement of FY 2021-22. As a result, the substantial rise in the National Consumer Price Index (NCPI) for POL prices has significantly affected the overall expenditure under O&M as compared to the impact of inflation on expenses such as communication or rent, rates & taxes, hence, this matter necessitates reconsideration.

Other O&M Expenses:

Other O&M expenses includes expenses such as Rent, Rates & Taxes, Power, Light and Water, Communication, Bill Collection Charges, Office supplies (includes stationery for MIS for bill printing forms, cartridges etc.), Director Fees, Auditor Remuneration, Professional Fees, Outside Service Employed, Management Fees, NEPRA License Fees, Advertisement & Publicity, Subscriptions & Periodicals, Representation & Entertainment, Insurance (Wapda Equipment Protection Scheme for Grid System only), Bank Charges, and other miscellaneous expenses. The main reason for increase during FY 2020-21 is due to the increase in Rent Expense and the Bill collection charges and the payment of arrears.

Bill Collection Charges were increased during FY 2020-21 due to the payment of arrears of Rs. 89 Million as well as current cost to Telenor Microfinance Bank for online collections (annual Impact Rs. 35 Million approx.), the same was pending due to verification / reconciliation. Although the Authority has not considered the said cost, however it is requested to reconsider and allow the same to the extent of annual impact of Rs. 35 million in the base tariff along with indexation in the subsequent period. Similarly for rent expense, out of the total arrears of Rs. 100 million, the annual impact amounting to Rs. 30 million may be allowed to PESCO in the base tariff for the purpose of indexation of FY 2023-24.

The NEPRA License Fee taken under the head of Other O&M Expenses has been increased by more than 100% during FY 2021-22 & FY 2022-23 in comparison to FY 2019-20 but this fact has not been considered in the determination, therefore, it is proposed that the impact of increase in NEPRA Licence Fee for Supply Business being not part of the base tariff, may be taken into account in the determination of O&M Expenses for MYT control period. The actual payment made for FY 2021-22 & FY 2022-23 amounting to Rs. 23 million may be allowed as PYA and Rs. 28 million may be included in base tariff of FY 2022-23 as part of indexation of FY 2023-24.



Similarly, an increase has been recorded under the head Postage & Telephone, this is primarily due to the increase in Tariff as well as the ever-increasing requirement for communication services in wake of the expansion in ERP system at Circle level, Integrated Billing Solution (IBS) and PITC services etc.

Further, the efficiency factor-X may be allowed on actual basis. This entails adjusting the indexed amount, if the actual expenditure in a particular category is less than the indexed amount then in that case its benefit may be passed on to the consumers. The Authority's determination of a 30% adjustment factor needs to be reassessed in light of the fact that indexation is based on the National Consumer Price Index (NCPI), which is directly linked with prices. Considering PESCO's weak financial condition and resource shortfall together with the unrealistic target of losses of 20.16 % & 19.81 % for FY 2022-23 & FY 2023-24 contrary to the market realities as envisaged in the National Electric Policy, it would be more appropriate to link the adjustment factor with actual expenditure, as proposed.

6. Depreciation:

As per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the depreciation will be assessed in accordance with the following formula/mechanism:

$$\text{DEP (Rev)} = \text{DEP (Ref)} \times \frac{\text{GFAIO (Rev)}}{\text{GFAIO (Ref)}}$$

Where: DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP (Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

Table-10: Depreciation Expense

DESCRIPTION	AUDITED	PROVISIONAL	ADJUSTMENT
	FY'2021-22	FY'2022-23	FY'2023-24
Gross Fixed Assets in Operation (GFAIO) — Opening Balance	94,444	107,485	116,201
Addition in Fixed Assets	13,041	8,716	10,249
Fixed Assets in Operation (GFAIO) — Closing Balance	107,485	116,201	126,450
Depreciation-Expense	3,709	4,025	4,376

7. Return on Rate Base (RORB):

As per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the Return on Rate Base (RORB) will be assessed in accordance with the following formula/mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} * RAB_{(Rev)} / RAB_{(Ref)}$$

Where:

$RORB_{(Rev)}$ = Revised Return on Rate Base for the Current Year

$RORB_{(Ref)}$ = Reference Return on Rate Base for the Reference Year

$RAB_{(Rev)}$ = Revised Rate Base for the Current Year

$RAB_{(Ref)}$ = Reference Rate Base for the Reference Year

Based on above mechanism, RORB Calculation for FY 2023-24 is provided below in Table-II:

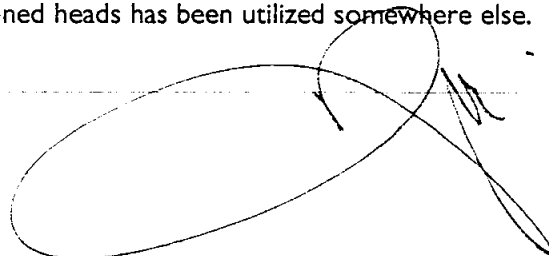
Table-II: RORB Calculation

DESCRIPTION	UOM	AUDITED	PROJECTED	PROJECTED
		FY'2021-22	FY'2022-23	FY'2023-24
Gross Fixed Assets in Operation-B/F	[Mln Rs]	94,444	107,485	116,201
Addition in Fixed Assets	[Mln Rs]	13,041	8,716	10,249
Gross Fixed Assets in Operation-C/B	[Mln Rs]	107,485	116,201	126,450
Less: Accumulated Depreciation	[Mln Rs]	39,112	43,137	47,513
Net Fixed Assets in Operation	[Mln Rs]	68,373	73,064	78,938
Add: Capital Work In Progress - C/B	[Mln Rs]	33,544	46,800	55,029
Less: Cap. WIP-Deposit Portion	[Mln Rs]	14,643	14,643	14,643
Investment in Fixed Assets	[Mln Rs]	87,274	105,221	119,324
Less: Deferred Credits	[Mln Rs]	39,222	39,822	41,671
Regulatory Assets Base	[Mln Rs]	48,052	65,399	77,653
Average Regulatory Assets Base	[Mln Rs]	45,195	56,726	71,526

Rate of Return	[%age]	12.03%	17.07%	17.07%
Return on Rate Base	[Mln Rs]	5,437	9,685	12,212

(Detailed Working is enclosed as **Annex-F**)

Further, the issue of excessive deduction of Deferred Credit Credits from Regulatory Asset Base (RAB) due to insufficient cash balances was discussed during the MLR hearing for FY 2020-21 to FY 2022-23, however, the Authority in its decision stated that PESCO Financial statement for FY 2019-20 shows insufficient balances as on 30th June, 2020 against their pending liability of receipt against deposit works and consumer security deposits, thus, indicating that the amount received against the aforementioned heads has been utilized somewhere else.



It is pertinent to mention here that the Cash Balance under Deposit head has no correlation with Revenue Requirement and the Distribution Margin. Such interpretation is based on the incorrect assumptions which is creating financial hardships for PESCO, although the detail calculations along with documentary evidence was provided to NEPRA's Tariff team, however still PESCO submissions has not been considered. Moreover, this treatment/calculation has no legal backing, because NEPRA Act, 1997 and the regulations thereunder doesn't support this treatment.

PESCO is not utilizing the consumer receipts for any other purpose and since FY 2015-16, PESCO has managed to reduce the shortfall under Deposit head (whether inherited or recovered by FBR) to Zero, hence the deduction of RORB has no legal grounds, because NEPRA Act, 1997 and the regulations thereunder doesn't support the above treatment rather the required treatment as per NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015 (or Guideline 2015).

According to Clause 19(3)(a) of the "Guideline 2015", the determination of Rate Base of the company includes Deferred Credit along with other components of Regulatory Asset Base (RAB). The relevant part of the Guidelines is reproduced as:

"19. Cost Categories

.....

(3).....

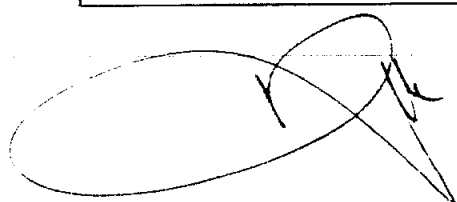
(a) *Post-tax rate-of-return on rate base*

(i) *Average net fixed assets, construction work in progress (CWIP) and deferred credits including share of deposit works valued at original cost and/or expected cost shall be used to determine the rate base of the affected company."*

Further, the Annex-II of the Guideline 2015 has provided following formula for RAB Calculation. The Format is hereunder as:

Regulatory Asset Base

Description	Rupees in Million	
	FY ---- Actual	FY --- Forward Looking
Opening fixed assets in operation		
Assets Transferred during the year		
Closing Fixed Assets in Operation		
Less: Accumulated Depreciation		
Net Fixed Assets in operation		
+ Capital Work in Progress (Closing)		
Total Fixed Assets		
Less: Deferred Credit		
Total		
Average Regulatory Assets Base		



Based on above references of NEPRA Guidelines, 2015, it is evident that the treatment adopted in the MYT Determination and later in the Review Decision with regards to insufficient Cash Balances is not covered under the Rules and hence, needs to be reconsidered.

8. Other Income:

As per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the other income will be assessed in accordance with the following formula/mechanism:

$$OI_{(Rev)} = OI_{(I)} + \{OI_{(I)} - OI_{(o)}\}$$

Where;

$OI_{(Rev)}$ = Revised Other Income for the Current Year

$OI_{(I)}$ = Actual Other Income as per latest Financial Statements.

$OI_{(o)}$ = Actual/Assessed Other Income used in the previous year.

Other Income for the FY 2023-24 as per above mechanism is assessed as under;

$$OI_{(Rev)} = OI_{(I)} + \{OI_{(I)} - OI_{(o)}\}$$

$OI_{(I)}$ = 4,400 (Actual Other Income for the FY 2021-22)

$OI_{(o)}$ = 4,180 (Assessed Other Income for the FY 2020-21)

$OI_{(Rev)} = 4,400 + (4,400 - 4,180)$

$OI_{(Rev)} = 4,400 + 220$

$OI_{(Rev)} = 4,619$

Table-12: Other Income

Min Rs.

DESCRIPTION	ACTUAL	ACTUAL	ACTUAL
	FY' 2019-20	FY' 2020-21	FY' 2021-22
Other Income- excluding LPS, Wheeling Charges, Exchange Gains, etc.	1,714	1,998	2,280
Add: Rental & Service Income	46	59	49
Add: Amortization of Deferred Credits	1,708	1,852	2,071
Net Other Income	3,468	3,909	4,400
Other income allowed	2,940	3,467	4,180
Under / (Over)	-528	-442	-220

9. Prior Year Adjustment:

9.1 Recovery of Quarterly Adjustments

PESCO has been allowed Quarterly Adjustments during FY 2019-20, FY 2020-21 & FY 2021-22, which were subsequently notified by Government of Pakistan. The recovery of Quarterly Adjustments at notified rates during FY 2019-20 (2nd QTR onward) to 2021-22 has been calculated and included in the PYA amounting to Rs. (15,282) Million (working attached as **Annex-G**).

9.2 Under-Recovered Distribution Margin (DM)

PESCO has been allowed Distribution Margin (DM) of Rs. 24,685/- Million for the FY 2021-22, and the recovery of the same at notified rates during FY 2021-22 remained Rs. 25,967 Million. Thus resulted into an over recovery of Rs. (1,282) Million (Working attached as **Annex-G**).

9.3 Sales Mix Variance

The actual Sales Mix for FY 2020-21 and FY 2021-22 at the base tariff notified vide SRO 190(I)/2021, dated February 12, 2021 (effective from 12.02.2021 onward) and SRO 1424(I)/2021, dated November 05, 2021 has been assessed as Rs. 4,809 Million and Rs. (3,959) Million respectively (Working attached as **Annex-G**). Authority is requested to allow the impact of sales mix of Rs. 850 Million in the Prior Year Adjustment.

9.4 Turnover Tax under MLR

According to the Multi Year Distribution Function Tariff Determination, the Authority has decided that *while going through the financial statements of the DISCOs including the Petitioner, has observed that significant amount of tax refund is appearing from FBR. In view thereof, the Authority has decided to allow actual tax paid by the Petitioner net off of the amount of Tax Refund outstanding from FBR.* It was clarified in MLR that the amount of refund appearing in the Financial Statements relates to taxes receivables under Sales Tax Act, 1990, and is not adjustable against the Turnover Tax.

However, instead of reconsideration, another question has been raised whereby Amount Receivable from the consumers under the head of Income Tax (under Section 235 of the Income Tax Ordinance, 2001), which is basically indirect tax collectable from consumer, has been pointed out as tax receivable from FBR on the basis of wrong understanding, which needs to be rectified.

The abstract of the PESCO's Financial Statement for the relevant period is here under:

17. TRADE DEBTS			
Sale of electricity		43,389,406,549	61,063,771,401
Government levies and other charges	17.2	27,058,394,560	25,285,118,298

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED			
NOTES TO THE FINANCIAL STATEMENTS			
FOR THE YEAR ENDED JUNE 30, 2021			
17.2	Government levies and other charges	Note	
		2021 Rupees	2020 Rupees
	Electricity Duty Receivable-E/Bills	1,257,718,139	1,178,011,489
	Income Tax Recivable-E/Bills	856,087,888	749,483,168

Further, as per filed income tax return, the tax was paid for FY 2019-20 amounting Rs. 2,046 million, instead of Rs. 1,576 million as determined in Multi Year Distribution Function Tariff (2018-2020). Similarly, the tax paid for FY 2020-21 is Rs. 2,145 million, FY 2021-22 is Rs. 2,265 million and for FY 2022-23 (upto December, 2022) is Rs. 1,125 million. Therefore, the Authority is requested to allow Turnover Tax for FY 2019-20, 2020-21, 2021-22 & 2022-23 (upto December, 2022) to tune of Rs. 469 million, Rs. 2,228 million, Rs. 2,265 million and Rs. 1,125 million, respectively (Copies of the returns & CPRs are enclosed at **Annex-H**). Moreover, the detail of turnover tax paid and the pending adjustments during FY 2018-19 to FY2022-23 is as under:

Table-I3: Summary of Pending Adjustments of Turnover Tax

Rs. in million

Financial Year	Tax Assessment	Tax Paid	Tax Adjustment Allowed by NEPRA	Pending Tax Adjustments	Income Tax Receivable from FBR
2018-19	1,432	1,432	1,432	-	Nil
2019-20	2,046	2,046	1,576	470	Nil
2020-21	2,145	2,228	-	2,698	Nil
2021-22	2,265	2,265	-	4,963	Nil
2022-23	Yet to be Filed	1,125	-	6,088	-

9.5 Uniform Seasonal Pricing Structure Subsidy (USPS)

The Federal Government has announced Uniform Seasonal Pricing Structure relief package vide S.R.O. 1379(1)/2019 dated 12-11-2019 (Copy enclosed at **Annex-I**) for the period November 2019 to February 2020 on units consumed above the consumption made during the same period / month last year. Accordingly, PESCO has charged subsidized rates to the specified consumers and submitted USPS subsidy claims of Rs. 707.50 Million to Cost Accounts Officer, Subsidy Cell, Ministry of Energy (Power Division) during the period Jan 2020 to Mar 2020.

The USPS subsidy claims were returned by the Cost Accounts Officer, Subsidy Cell, Ministry of Energy (Power Division) with the remarks that the said S.R.O does not speak of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. PESCO is facing revenue shortfall of Rs. 707.50 Million on the basis of subsidized rates charged to the consumers and the recovery of the revenue shortfall is still pending and it is requested to include the same in PESCO prior year adjustment for FY 2019-20.

Authority is therefore requested to consider the same, as the respective incremental units 138 MKwh of USPS have been used by the Authority for calculation of regulatory costs & recoveries and accordingly the revenue shortfall faced by PESCO for Rs. 707.50 million may be allowed, otherwise the impact of incremental units needs to be excluded from the quarterly / annual adjustments as is being done in the recent Industrial Support Package notified vide SRO 1292(1)/2020 dated 03/12/2020 effective from November 2020.

9.6 Impact of positive FCA regarding Lifeline Consumers

That the Authority was approached vide letter no. 8139-41/FD/PESCO/CP&C dated 14.05.2022 (placed at **Annex-J**), for the determination of impact of positive FCA on Lifeline consumers, as discussed at para 19.7 of the determination for Multi Year Supply Function Tariff for FY 2020-21 to FY 2024-25, however, the matter was deferred. The instant matter also taken up in the PESCO Motion for Leave for Review petition, however, instead of allowing the adjustment to PESCO, like correction made under PYA, Post Retirement Benefit & RORB in the Review Decision, the matter has been deferred till next indexation/adjustment along with the direction to reconcile the data with PITC. The relevant part of decision is reproduced hereunder:

"150. Thus, request of the Petitioner would be considered in the next adjustment request of the Petitioner for the FY 2022-23, to be filed in February 2023. However, a preliminary analysis of the data provided by the Petitioner shows difference between the number of units used by PESCO for calculation of impact of lifeline consumers and the units used by NEPRA in its calculations. Here it is pertinent to mention that NEPRA while working out the impact of life line consumers used the data provided by PITC for each DISCO. Therefore, the Petitioner is directed to reconcile its data with PITC and submit the same along-with its next tariff adjustment/ indexation request..."

That the impact of positive FCA on the supplies to the Lifeline consumers computed on the basis of CPPA-G Power Purchase Invoiced Units instead of unit bill to the consumers as per Transfer pricing Mechanism, hence, the direction issued vide the Review Decision dated 23/01/2023, requires rectification or further explanation in this regard.

Earlier, during regulatory proceeding these charges were allowed as part of periodic adjustments, however, since the issuance of Quarterly Adjustments determinations, the Authority on the issue of Periodic Quarterly Adjustments in Tariff for FY 2017-18 to FY 2020-21, has neither allowed the impact of lifeline consumers in the quarterly tariff determinations, nor the same has been allowed in Annual Tariff Determinations of PESCO as part of Prior Year Adjustments (PYA) thereby, resulting in the shortfall of Rs.1,023 million for the period FY 2017-18 to FY 2020-21. The yearly detail of pending / unrecovered positive FCA on lifeline consumers as per the Quarterly requests filed by PESCO and Quarterly FCA allowed by NEPRA is as under:

Table-14: Impact of FCA

			Rs. In Million
Impact of T&D Losses	As per PESCO	As per NEPRA Determination	Difference/Impact of FCA regarding Lifeline Consumers
FY 2017-18	565	511	54
FY 2018-19	2,352	2,150	202
FY 2019-20	5,446	4,940	506
FY 2020-21	2,731	2,470	261
Total	11,095	10,071	1,023

The Authority is therefore, requested to allow the impact of positive FCA, amounting to Rs. 1,023 million in the matter of life line consumers as part of Prior Year Adjustment (Working attached as **Annex-K**).

9.7 Impact of Incremental Units of Industrial Support Package (ISP) and Winter Incentive Package (WIP)

The adjustment on account of Incremental consumption in respect of PESCO as per the transfer pricing mechanism notified vide SRO No. 190(I)/2021 dated 12-02-2021, the Support Package as notified vide SRO No. 1292(I)/2020 dated 03-12-2020, and the Winter Incentive Package as notified vide SRO No. 1418(I)/2021 dated 05-11-2021, the Authority has not considered/ allowed the impact of Incremental Units of ISP for FY 2020-21 (Nov-20 to Jun-21) and Incremental units of WIP for the 2nd Quarter (Jan-Feb) of FY 2021-22 on Capacity Charges, Variable O&M and Use of System Charges. The said impact of incremental units of ISP and WIP is resulting in the shortfall of Rs. 1,414 Million for the period of FY 2020-21 (Nov-20 to Jun-21) and Rs. 434 Million for the 2nd Quarter (Nov-21 & Dec-21) of FY 2021-22 respectively.

Furthermore, an amount of Rs. 16 Million for the 3rd Quarter (Jan-22 & Feb-22) is calculated as the arrear claim of WIP on account of difference in the units of incremental units between PESCO's MIS report and the units considered by NEPRA. The requisite sheets of MIS report are attached at **Annex-L** and the detailed monthly working is attached at **Annex-M**.

Table-15: Impact of Incremental Units

Rs. In Million

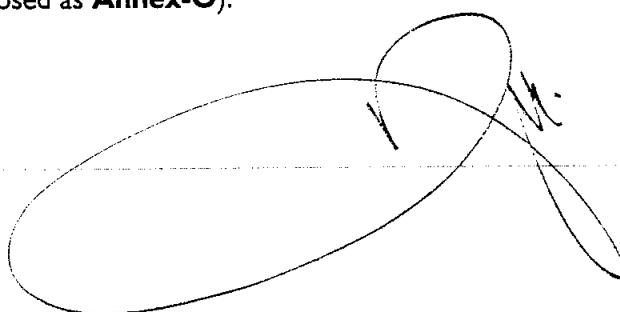
Description	FY 2020-21	FY 2021-22		Total
	Claim of ISP Incremental Units	Claim of WIP (2nd Qtr)	Claim of WIP (3rd Qtr)	
Impact of Variable O&M	190	32	2	224
Impact of CPP	3,469	869	31	4,369
UoSC Adjustment	196	39	1	236
Recovery on Incremental Units	(2,441)	(505)	(17)	(2,964)
Required Adjustment for the Quarter	1,414	434	16	1,865

9.8 Reversal of Over Adjustment of Interim Distribution Margin for FY 2018-19:

As per the MYT Determination, the PYA adjustment of Rs. 6,259 million include a negative adjustment of Rs. 364 million on account of 'Interim DM FY 2018-19'. However, adjustment for Distribution Margin for FY 2018-19 has already been accounted for by the Authority in its Determination for FY 2018-19 & 2019-20, hence, over adjustment has been made in Tariff Determination for FY 2018-19 & 2019-20 by adjusting the full amount of Rs. (3,817) million under PYA which needs to be reversed. Copy of the relevant pages of PESCO determination for FY 2018-19 & FY 2019-20 and MYT Determination are attached at **Annex-N**.

9.9 Impact of Pending FCA for the period FY 2019-20:

The FCA for the period November 2019 to June 2020 as determined vide NEPRA decision no. 20257-74 dated 07/08/2020 has been withheld/ not passed on to the consumers. As per ECC decision an adjustment of Rs. 2,436 million may be allowed on the part of Prior Year Adjustments (Detail enclosed as **Annex-O**).



Keeping foregoing in view, it is requested to kindly allow the Prior Year Adjustment of amounting to **Rs. 16,946 Million** as summarized below:

Table-16: Summary of Prior Year Adjustments (PYA)

Mln Rs.

Sr.No	Description	Dist.	Supply	Overall
1	Under / (Over) recovery of Qtr adjustment for FY 2019-20 (2nd, 3rd & 4th Qtr)	-	(12,717)	(12,717)
2	Under / (Over) recovery of Qtr adjustment for FY 2020-21	-	(1,438)	(1,438)
3	Under / (Over) recovery of Qtr adjustment for FY 2021-22	-	(1,128)	(1,128)
5	Under / (Over) recovery of Distribution Margin for FY 2021-22	(731)	(551)	(1,282)
6	Under / (Over) recovery of Other income for FY 2020-21	(305)	(137)	(443)
7	Under / (Over) recovery of Other income for FY 2021-22	(152)	(68)	(220)
8	Sales Mix Variances	-	850	850
9	MLR FY 2020-21 to FY 2022-23	7,965	9,037	17,002
10	Other Pending Adjustments of Distribution Margin	2,751	895	3,646
11	Under / (Over) recovery of PYA for FY 2020-21	-	2,481	2,481
12	Uniform Seasonal Pricing Structure Subsidy (USPS)	-	708	708
13	Impact of positive FCA regarding Lifeline Consumers	-	1,023	1,023
14	Impact of Incremental Units of ISP and WIP	-	1,864	1,864
15	Under Recovery of Depreciation FY 2020-21	80	9	89
16	Under Recovery of Depreciation FY 2021-22	232	26	257
17	Reversal of Interim DM Adjusted Back in MYT Determination	2,176	1,641	3,817
18	Impact of FCA of Nov-19 to Jun-20 not passed on to Consumers as per ECC Decision	-	2,436	2,436
Total Prior Period Adjustment		12,015	4,931	16,946

(Detail enclosed as **Annex-G**)

10. Indexation Request:

Based on the information given in the preceding paragraphs the estimated adjustment/indexation for the FY 2023-24 on projected Sales of 13,199 MktWh is given here under:

Table-17: PROPOSED ADJUSTMENT/ INDEXATION FOR FY 2023-24

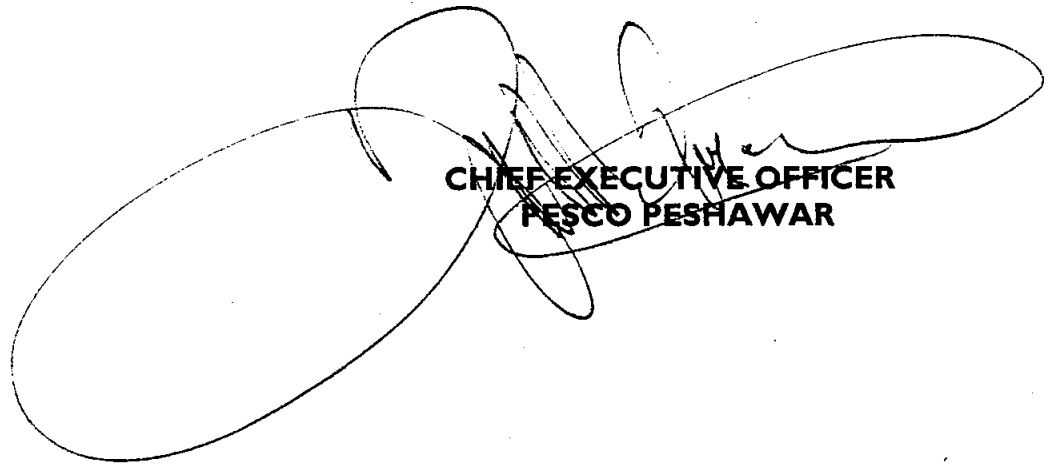
Description	Distribution Tariff	Supply of Power	Overall	Rate per Unit
	Mln Rs.	Mln Rs.	Mln Rs.	Rs./kWh
O&M Cost	19,721	10,513	30,234	2.2906
Depreciation	3,938	438	4,376	0.3315
Return on Rate Base	9,770	2,442	12,212	0.9252
Less: Other Income	(3,174)	(1,446)	(4,619)	-0.3500
Net Distribution Margin	30,255	11,947	42,203	3.1974
Turnover Tax	-	3,737	3,737	0.2832
Prior Period Adjustments	12,015	4,931	16,946	1.2839
Distribution Margin with PYA	42,271	20,615	62,886	4.7644

Prayer / Request.

The Authority is requested to allow the Prior Year Adjustment for the FY 2021-22 along-with left over amounts pertaining to previous years and adjustment / indexation of Distribution / Supply Margin for the FY 2022-23.

The petitioner craves to grant of permission to raise additional grounds/points at the time of hearing, and also explain if any further points are raised during hearing proceedings.

Any other appropriate order deems fit by the honourable Authority may also be passed.



**CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR**

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

RSM

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INDEPENDENT AUDITOR'S REPORT

To the Members of Peshawar Electric Supply Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Peshawar Electric Supply Company Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that except as described in the *Basis for Qualified Opinion* section below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has not recorded supplemental charges since 2010 being charged by Central Power Purchasing Agency (CPPA) which are delayed payment charges of Independent Power Producers (IPPs). In our view, had these charges been recorded, trade and other payables and negative equity would have been higher by Rs. 99.556 billion (2021: Rs. 76.369 billion) and loss for the year would have been higher by Rs. 23.187 billion (2021: Rs. 17.006 billion).

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Material Uncertainty relating to Going Concern

Without further qualifying our opinion, we draw attention to note 1.2 to the accompanying financial statements, which shows that the Company has suffered a net loss of Rs. 120.918 billion (2021: Rs.29.252 billion) for the year ended June 30, 2022 and at that date, the accumulated losses were Rs. 452.222 billion (2021: Rs. 331.304 billion). Similarly, the current liabilities exceed the current assets by Rs. 231.327 billion (2021: Rs.196.053 billion) as at the year end. These conditions, along with other matters as set forth in note 1.2 to the financial statements indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements have been prepared on going concern basis as the Company has managed to continue its operation due to continuous support from Government of Pakistan in the foreseeable future.

Emphasis of Matters

We draw attention to:

- a) note 20.2 to the accompanying financial statements, which described various matters regarding tax contingencies, the ultimate outcome of which cannot be presently determined, hence pending the resolution thereof, no provision for the same has been made in the accompanying financial statements;
- b) note 20.1 to the accompanying financial statements which shows Rs. 44.916 billion (2021: Rs. 42.817 billion) as receivable from Tribal Electric Supply Company (TESCO). Management believes that since TESCO is government owned entity there is no likelihood of default by TESCO in paying its liabilities and PESCO is confident of recovering the debts; and
- c) note 6.11 to the accompanying financial statements which explain that the Company has not yet issued shares of Rs. 18.082 billion (2021: Rs.18.082 billion) to WAPDA.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We draw attention to the matter described in the *Basis for Qualified opinion* section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

QAM

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements


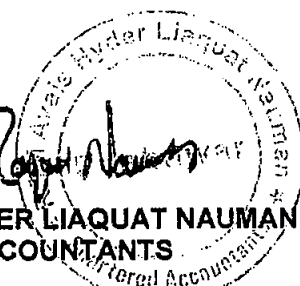
Based on our audit, we further report that in our opinion:

- Except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- Except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- Except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed a qualified opinion on those financial statements dated November 05, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Arif Saeed.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Peshawar

Date: November 16, 2022

UDIN: AR20221051341c6RzIke

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital: 5,000,000,000 (2021: 5,000,000,000) ordinary shares of Rupees 10 each		<u>50,000,000,000</u>	<u>50,000,000,000</u>
Issued, subscribed and paid up share capital	5	10,000	10,000
Deposits for issue of share capital	6	92,855,405,071	20,176,265,375
Accumulated losses		(452,222,342,099)	(331,304,484,637)
TOTAL EQUITY		<u>(359,366,927,028)</u>	<u>(311,128,209,262)</u>
Non-current liabilities			
Liabilities against government investment	7	50,187,189,539	50,187,189,539
Long term loans - secured	8	7,867,513,425	6,555,331,205
Staff retirement benefits	9	126,421,111,601	103,404,478,886
Deferred credit	10	39,221,980,766	35,052,284,971
Consumers' security deposits	11	6,260,816,713	5,546,066,924
		<u>229,958,612,044</u>	<u>200,745,351,525</u>
Current liabilities			
Trade and other payables	12	462,689,582,387	434,248,163,312
Accrued markup	13	3,178,873,917	2,482,411,872
Current maturity of long term loans	8	2,143,075,981	1,862,381,843
Provision for taxation	29	2,257,808,735	2,139,934,147
		<u>470,269,341,020</u>	<u>440,732,891,174</u>
TOTAL LIABILITIES		<u>700,227,953,064</u>	<u>641,478,242,699</u>
Contingencies and commitments			
	14	-	-
		<u>340,861,026,036</u>	<u>330,350,033,437</u>
ASSETS			
Non-current assets			
Property, plant and equipment	15	101,917,287,124	85,661,993,762
Long term loans - considered good	16	1,786,049	8,198,200
		<u>101,919,073,173</u>	<u>85,670,191,962</u>
Current assets			
Stores, spare parts and loose tools	17	9,580,113,785	4,893,824,440
Trade debts	18	78,977,481,839	70,447,801,109
Loans and advances - considered good	19	2,496,250,975	2,238,054,612
Other receivables - considered good	20	95,734,895,215	89,920,320,379
Receivable from Government of Pakistan (Ministry of Finance)	21	42,901,199,260	63,704,244,859
Cash and bank balances	22	9,252,011,789	13,475,596,076
		<u>238,941,952,863</u>	<u>244,679,841,475</u>
TOTAL ASSETS		<u>340,861,026,036</u>	<u>330,350,033,437</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Sale of electricity	23	171,781,726,839	133,645,192,581
Subsidy from Government of Pakistan on sale of electricity		51,390,432,017	61,816,100,660
		223,172,158,856	195,461,293,241
Cost of electricity	24	(292,802,591,808)	(188,257,612,829)
Gross (loss) / profit		(69,630,432,952)	7,203,680,412
Amortization of deferred credit	10	2,070,881,984	1,852,461,762
		(67,559,550,968)	9,056,142,174
Operating cost			
Other operating cost excluding depreciation	25	(34,465,916,669)	(33,434,059,418)
Depreciation on property, plant and equipment	15.1	(3,709,338,186)	(3,295,858,682)
		(38,175,254,855)	(36,729,918,100)
Operating loss		(105,734,805,823)	(27,673,775,926)
Other income			
Rental and service income	26	48,903,377	59,171,198
Other income	27	7,734,853,604	7,743,628,970
		7,783,756,981	7,802,800,168
Financial cost	28	(1,914,485,107)	(708,342,159)
Loss before taxation		(99,865,533,949)	(20,579,317,917)
Taxation	29	(2,262,666,777)	(2,166,299,737)
Loss for the year		(102,128,200,726)	(22,745,617,654)

The annexed notes form an integral part of these financial statements.

R.M.


CHIEF EXECUTIVE OFFICER


DIRECTOR

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Loss for the year	(102,128,200,726)	(22,745,617,654)
Other comprehensive income / (loss):		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial loss on remeasurement of post retirement benefits	(18,789,656,736)	(6,506,565,669)
Total comprehensive loss for the year	<u>(120,917,857,462)</u>	<u>(29,252,183,323)</u>

The annexed notes form an integral part of these financial statements

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CHIEF EXECUTIVE OFFICER


DIRECTOR

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid up share capital	Deposit for issue of shares	Accumulated loss	TOTAL
	RUPEES			
Balance as at July 01, 2020	10,000	20,176,265,375	(302,052,301,314)	(281,876,025,939)
Total comprehensive loss for the year	-	-	(29,252,183,323)	(29,252,183,323)
Balance as at June 30, 2021	10,000	20,176,265,375	(331,304,484,637)	(311,128,209,262)
Total comprehensive loss for the year	-	-	(120,917,857,462)	(120,917,857,462)
Equity Injection against mark-up	-	879,673,400	-	879,673,400
Equity injection against receivables	-	71,799,466,296	-	71,799,466,296
Balance as at June 30, 2022	10,000	92,855,405,071	(452,222,342,099)	(359,366,927,028)

The annexed notes form an integral part of these financial statements.

RSM


CHIEF EXECUTIVE OFFICER


DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(99,865,533,949)	(20,579,317,917)
Adjustments for non-cash charges and other items:			
Depreciation	15.1	3,709,338,186	3,295,858,682
Provision for staff retirement benefits		11,005,794,140	11,382,066,240
Provision for doubtful debts		8,060,100,946	8,427,867,283
Profit on bank deposits		(971,445,234)	(638,178,037)
Amortization of deferred credit		(2,070,881,984)	(1,852,461,762)
Exchange difference - net		-	(48,111,794)
Financial charges		1,914,485,107	708,342,159
		<u>21,647,391,161</u>	<u>21,275,382,771</u>
Operating (deficit) / profit before working capital changes		(78,218,142,788)	696,064,854
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(4,686,289,345)	461,130,702
Trade debts		(16,589,781,676)	(7,426,910,693)
Loans and advances - considered good		(258,196,363)	(20,619,607)
Other receivables - considered good		(5,814,574,836)	(2,139,319,321)
Receivable from Government of Pakistan (Ministry of Finance)		20,803,045,599	(717,302,728)
		<u>(6,545,796,621)</u>	<u>(9,843,021,647)</u>
Increase in current liabilities		29,536,449,846	27,407,203,936
Cash (used in) / generated from operations		<u>(55,227,489,563)</u>	<u>18,260,247,143</u>
Staff retirement benefits paid		(6,778,818,161)	(6,657,863,688)
Tax paid		(2,262,666,777)	(2,039,798,379)
Financial charges paid		<u>(1,914,485,107)</u>	<u>(4,680,702)</u>
		<u>(10,955,970,045)</u>	<u>(8,702,342,769)</u>
Net cash (used in) / generated from operating activities		<u>(66,183,459,608)</u>	<u>9,557,904,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred during the year		(19,964,631,548)	(13,938,031,151)
Profit received on bank deposits		971,445,234	638,178,037
Proceeds from customers in deferred credit		6,240,577,779	4,129,678,113
Long term loans disbursed during the year		6,412,151	(10,839,170)
Net cash used in investing activities		<u>(12,746,196,384)</u>	<u>(9,181,014,171)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		1,312,182,220	1,568,179,303
Consumers' security deposits		714,749,789	643,017,223
Proceeds from GoP Investment against circular debt		72,679,139,696	-
Net cash generated from financing activities		<u>74,706,071,705</u>	<u>2,211,196,526</u>
Net (decrease) / increase in cash and cash equivalents		(4,223,584,287)	2,588,086,729
Cash and cash equivalents at beginning of the year		13,475,596,076	10,887,509,347
Cash and cash equivalents at end of the year	22	<u>9,252,011,789</u>	<u>13,475,596,076</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND ACTIVITIES

- 1.1** Peshawar Electric Supply Company Limited (PESCO) ("the Company") is a public limited company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), having its registered office situated at WAPDA House, Lahore. The company was incorporated on April 23, 1998 to acquire/takeover all the properties, rights, assets, obligations and liabilities of Peshawar Area Electricity Board owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The company commenced commercial operation w.e.f. July 01, 1998. The principal activity of the company is the distribution and supply of electricity within its defined geographical boundaries. National Electric Power Regulatory Authority (NEPRA) has granted Distribution License to the company for electricity distribution. Government of Pakistan has notified the tariff determined by NEPRA for Peshawar Electric Supply Company Limited (PESCO). It currently purchases electricity through Central Power Purchasing Agency (CPPA) which is an associated undertaking of the Company.
- 1.2** The company has suffered a net loss of PKR. 120,918 million (2021: Rs. 29,252 million) for the year ended June 30, 2022 during the year under reference which has increased the accumulated losses to Rs. 452,222 million (2021: Rs. 331,304 million). Moreover, the current liabilities exceed current assets by an amount of Rs. 231,327 million (2021: Rs. 196,053 million). These factors indicate the existence of a material uncertainty, which may cast significant doubts on the company's ability to continue as a going concern. However, these financial statements have been prepared on going concern basis on the rational assumption that the losses due to shortfall in tariff and distribution losses will be made through Government subsidies. Further the company has initiated the programs and actions for reduction of distribution losses and recovery of receivables from consumers and associated undertakings.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2021 and therefore, have been applied in preparing these financial statements;

IAS / IFRS	Description
IFRS 4	Insurance Contracts
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 16	Leases
IAS 39	Financial Instruments: Recognition and Measurement

The IASB has published 'Interest Rate Benchmark Reform — Phase 2 with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

The IASB has published 'Covid-19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's financial statements.

[Signature]

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant.

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2021 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

IAS / IFRS		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January, 2022 *
IAS 16	Proceeds before Intended Use (Amendments)	01 January, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01 January, 2022
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments)	Not yet finalized

* The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

2.2.4 Improvements to accounting standards issued by the IASB (2018-2020 cycle)

Standard or Interpretation

IAS / IFRS		Effective date (annual periods beginning on or after)
IFRS 9	Financial instruments - fees in the '10 percent' test for derecognition of financial liabilities	01 January, 2022
IAS 41	Agriculture - Taxation in fair value measurements	01 January, 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation

IAS 1	Presentation of Financial Statements	01 January, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	01 January, 2023
IAS 12	Income Taxes	01 January, 2023
IAS 16	Property, Plant and Equipment	01 January, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	01 January, 2022

2.2.5 Standards, amendments to standards and interpretations becoming effective in future period but not relevant.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of measurement

These financial statements have been prepared under the historical convention except for the staff retirement benefits which are carried at present value in accordance with the requirement of IAS-19, "Employee Benefits".

2.4 Functional and presentation currency

The financial statements are prepared in Pakistani Rupees which is the Company's functional and presentation currency. All functional information presented in Pakistani Rupees has been rounded to the nearest rupee unless otherwise stated.

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2.5 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also require management to make judgment, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and other factors that are believe to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if affects both current and future periods. Judgments made by the management in application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in ensuring paragraphs.

2.5.1 Property, plant and equipment

The company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding effect on the depreciation charge and amortization of deferred credit.

2.5.2 Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

2.5.3 Staff retirement benefits

Retirement benefits are provided to regular employees of the Company. Calculation of provision for staff retirement benefits require assumptions to be made of the future outcomes, the principle ones being in respect of increase in remuneration, discount rates and inflation rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.5.4 Taxation

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.5.5 Contingencies

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcomes and lawyers' judgment, appropriate disclosure or provision is made.

2.5.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets recoverable amount is estimated. Impairment recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to statement of comprehensive income current year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set below have been applied consistently to all periods presented in these financial statements.

3.1 Staff retirement benefits

The Company provides pension, post retirement medical, free electricity benefits and compensated absences to all its regular employees. These are unfunded defined benefit plans, liabilities for these benefits are determined on the basis of actuarial valuation carried out by using the Projected Unit Credit Method. The amounts recognized in Statement of financial position represent the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

All actuarial gains and losses are recognized in 'other comprehensive income' as they occur.

For General Provident Fund and WAPDA welfare Fund, the company makes deductions from salaries of employees and remits the same to the funds established by WAPDA.

3.2 Deferred credit

Amount received from consumers and the government as contribution towards the cost of extension of distribution network and of providing service connections are deferred for amortization over the useful lives of related assets. Amortization and depreciation for the year are included in statement of profit or loss.

3.3 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.4 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, markup bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the Statement of profit or loss and other comprehensive income account over the period of borrowing on effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.5 Borrowing cost

Borrowing costs are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.6 Taxation

Income tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates, if any.

Deferred

Deferred tax is accounted for using the balance sheet method, providing for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized on all major temporary differences. Deferred tax assets recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference, unused tax losses and tax credits can be utilized. Deferred tax are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the relaxed tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on the net basis or their tax assets and liabilities will be realized simultaneously.

3.7 Provision

Provisions are recognized in the statement of financial position when the company has legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

3.8 Contingencies and commitments

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 Property, plant and equipment

Freehold land is stated at cost amount while capital work in progress is stated at cost less impairment loss, if any. Building on freehold land and distribution equipment are stated at cost amount less accumulated depreciation. All other operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment, if any.

Cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other costs directly attributable to bringing the assets into working condition for their intended use and capitalized borrowing costs.

Depreciation is charged to income on straight line method so as to write-off the depreciable amount of an asset over its estimated useful life at the rates mentioned in note 15.1 to the financial statements. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Major renewals and improvements are capitalized, while minor replacements, repairs and maintenance are charged to income.

3.10 Impairment

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as expense in other comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. If no impairment loss had been recognized. For non-financial assets, financial assets measured at amortized cost, available for sale financial assets that are debt securities, the reversal is recognized in profit or loss.

3.11 Stores, spare parts and loose tools

These are valued at moving average cost less allowance for impairment for obsolete and slow moving stores. Items in transit which are valued at cost comprising invoice value and related expenses incurred thereon up to the reporting date less impairment, if any.

3.12 Trade debts and other receivables

Trade and other receivables are recognized and carried at original invoice amount which is the fair value of the consideration to be received in future for goods sold. When a trade debt is uncollectable, it is written and charged statement of profit or loss. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

3.14 Financial Instruments

3.14.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized Cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs. Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

As per notification of Securities and Exchange Commission of Pakistan Vide S.R.O. 985 (I)/2019 Dated September 2, 2019, the requirement with respect to application of expected credit loss in IFRS-9 shall not be applicable to financial assets due from Government of Pakistan. Such financial assets shall be dealt with in according with the requirement of IAS-39 (Financial Instruments).

3.14.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

3.14.3 Recognition measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.14.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.16 Derivative financial instruments

These are initially recorded at fair value on the date a derivative contract is entered into and are re-measured to fair value at reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company does not apply hedge accounting for any derivatives. Any gain or loss from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are converted into functional currency (PKR) at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing on the reporting date. Exchange gains and losses are recognized in profit or loss.

3.18 Revenue recognition

Electricity sale

Revenue related to electricity sales is recognized once the company supplies electricity and there is no unfulfilled obligation on the part of the Company. Electricity is supplied at the rates determined by NEPRA and notified by Government of Pakistan from time to time. Late payment surcharge is recognized on accrual basis.

Tariff adjustment

Tariff adjustment for variation in fuel price is recognized in the relevant period on the basis of rates determined by NEPRA and notified by Government of Pakistan up to the date of approval of financial statements by the board of directors of the company.

Contract assets

Contract assets arise when the Company performs its performance obligations by providing services to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognized on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- All other income is recognized on accrual basis.

3.19 Electricity subsidy to consumers

Subsidy on electricity announced by the Government of Pakistan for consumers is recognized under revenue on accrual basis.

4 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

The company has incurred gross loss amounting to Rs. 69.63 billion during current year due to unprecedented increase in fuel prices as well as exchange parity without corresponding increase in Consumer End Tariff. Due to the said increase, the cost of power purchase was increased by Rs. 5.46 per unit during the current year as compared to the last year with a financial impact of Rs. 90.4 billion. Similarly the tariff of financial year 2020-21 was charged to the consumers during current year, thereby resulting in the gross loss during current year.

		2022 Rupees	2021 Rupees
5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
	<u>2022</u> <u>2021</u>		
	<u>Number of shares</u>		
	<u>1,000</u> <u>1,000</u>	<u>10,000</u>	<u>10,000</u>

1000 Ordinary shares of Rs.10 each, issued as fully paid up in cash to President of Pakistan (through PEPCO) and its nominee Directors.

	Note	2022 Rupees	2021 Rupees
6 DEPOSITS FOR ISSUE OF SHARE CAPITAL			
Incorporation expenses incurred by WAPDA		5,042,575	5,042,575
Allocation of net worth transferred by WAPDA	6.1	8,885,483,927	8,885,483,927
		8,890,526,502	8,890,526,502
Adjustment of other loans and assets	6.2	7,620,265,187	7,620,265,187
Adjustment of net assets on transfer of FATA business to WAPDA	6.3	1,571,234,102	1,571,234,102
		18,082,025,791	18,082,025,791
Equity injection against mark-up	6.4	2,094,239,584	2,094,239,584
Equity injection against supplemental charges	6.5	879,673,400	-
Equity injection against accounts receivables	6.6	27,773,678,000	-
GoP equity injection	6.7	5,236,221,196	-
GoP equity injection	6.8	20,142,046,300	-
GoP equity injection	6.9	15,292,224,200	-
GoP equity injection	6.10	3,355,296,600	-
	6.11	92,855,405,071	20,176,265,375

- 6.1 This represents net worth of the Company as on 01 July 1998 and subsequent adjustments/additions.
- 6.2 This represents adjustments of loan repayment and assets transferred, through current account maintained with WAPDA.
- 6.3 It represents net worth of FATA amounting to Rs. 1,670 million which has been surrendered to WAPDA w.e.f. from July 01, 2003 but still held by PESCO on their behalf and the reversal of employees retirement benefits amounting to Rs. 99.05 million on incorporation of TESCO.
- 6.4 Ministry of Energy (Power Division) through its letter No. PF-5(4)/2012-Vol.X dated 22-03-2019 directed all DISCO's to book equity amounting to Rs. 9,348 billion against payment of financial charges in respect of STFFs of PKR 7.487 billion, PKR 25 billion and PKR 30 billion. The payment of these charges has been made by the Govt of Pakistan (Finance Division) and PESCO's share is Rs. 2,094 billion.
- 6.5 Ministry of Energy (Power Division) through its letter No. F-05(06-PHL) 2021-22 dated 02-09-2021 directed all DISCO's to book GoP equity amounting to Rs. 4.4 billion and CPPA has issued Credit Note to PESCO amounting to Rs. 879.673 million vide Credit Note No. PPA - 13 / PESCO-01 dated 09-09-2021.
- 6.6 Ministry of Energy (Power division) through its letter No. F-05(06-PHL) 2021-22 dated 07-02-2022 directed all the DISCOs to book GoP Equity amounting to Rs.134.783 billion and CPPA-G has issued a credit note to PESCO amounting to Rs. 27.773 billion vide Credit Note No. PPA-188 / PESCO-18 dated 31-01-2022.
- 6.7 Ministry of Energy (Power Division) through its letter No. F-05(02) 2021-22 dated 18-02-2022 directed all DISCO's to book GoP equity amounting to Rs. 24.847 billion and CPPA has issued credit note to PESCO amounting to Rs. 5.236 billion vide Credit Note No. PPA - 248 / PESCO-24 dated 23-02-2022.
- 6.8 Ministry of Energy (Power Division) through its letter No. F-05(02) 2021-22 dated 22-07-2022 directed all DISCO's to book GoP equity amounting to Rs. 96.133 billion and CPPA has issued Credit Note to PESCO amounting to Rs. 20.142 billion vide Credit Note No. PPA - 449 / PESCO-45 with effective date 30-6-2022.
- 6.9 Ministry of Energy (Power Division) through its letter No. F-05(02) 2021-22 dated 07-07-2022 directed all DISCO's to book GoP equity amounting to Rs. 72.986 billion and CPPA has issued Credit Note to PESCO amounting to Rs.15.292 billion vide Credit Note No. PPA - 425 / PESCO-42 with effective date 30-6-2022.
- 6.10 Ministry of Energy (Power Division) through its letter No. F-05(02) 2021-22 dated 01-08-2022 directed all DISCO's to book GoP equity amounting to Rs. 16.014 billion and CPPA has issued Credit Note to PESCO amounting to Rs. 3.355 billion vide Credit Note No. PPA - 458 / PESCO-46 with effective date 30-6-2022.
- 6.11 WAPDA has confirmed vide letter No. 36-66/GMF(P)/MFHQ/B.K-40 to the Company to issue shares of Rs. 10 each equivalent to share deposit money of Rs. 18.082 billion. Rest of Rs. 74.773 billion is the equity injected by GoP.

7 LIABILITIES AGAINST GOVERNMENT INVESTMENT

	Note	2022 Rupees	2021 Rupees
Federal Government Investments (Circular Debt Settlement)	7.1	<u>50,187,189,539</u>	<u>50,187,189,539</u>

- 7.1 This amount shows GoP Investment in the DISCO's against Circular Debt Settlement. As per letter of Government of Pakistan Finance Division No. F-1(5) CF-I/2012-13/1017 dated July 02, 2013, Finance Division has transferred Rs. 341.958 billion in PEPCO's account through State Bank of Pakistan on June 27, 2013 for the settlement of power sector circular debt payable to IPP's and other entities. PESCO received Credit Memo No. PPA-204/PESCO-26 dated May 06, 2014 for Rs. 82.145 billion from CPPA on account of GoP Investment against Circular debt of aforesaid amount. Credit Memo No. PPA-278/PESCO-31 dated November 30, 2017 for Rs. 1.168 billion and Credit Memo No. PPA-279/PESCO-32 dated 30-11-2017 for Rs.16.766 billion and Debit Memo No. PPA-07 / PESCO-01 dated 31-01-2018 for Rs. 0.087 billion has been adjusted against this liability on account of Subsidy Receivable from Government of Pakistan.
As per letter of Ministry of Energy (Power Division) letter No. PF-05(02)2019-20 dated 23-12-2020, a Debit Note No. PPA-159/PESCO-16 dated 31-12-2020 is received from CPPA on account of adjustment of equity amounting to Rs. 13.936 billion which is recorded during the year.

	Note	2022 Rupees	2021 Rupees
8 LONG TERM LOANS - secured			
Loan from Government of Pakistan	8.1	125,284,795	125,284,795
Asian Development Bank - Trench I (2438-PK)	8.2	847,267,493	847,267,493
Asian Development Bank - Trench II (2727-PK)	8.3	955,422,626	955,422,626
Asian Development Bank - Trench III (2972-PK)	8.4	1,976,630,025	1,976,630,025
Asian Development Bank - Trench IV (3096-PK)	8.5	1,668,205,374	1,668,205,374
Earthquake Reconstruction and Rehabilitation Authority	8.6	1,660,090,470	1,276,723,432
Electrification work at Chitral (Federal PSDP) CCPR-3129	8.7	199,203,000	109,293,178
132 KV Grid system Chitral (Federal PSDP) CCPR-3130	8.8	148,522,590	58,522,590
Evacuation of Power from Swabi (Federal PSDP) CCPR-3131	8.9	230,000,000	170,000,000
Supply of Power to Rashakai Economic Zone(Federal PSDP) CCPR-7018	8.10	1,457,868,927	930,363,535
Supply of Power to Hattar Economic Zone (Federal PSDP) CCPR-7019	8.11	742,094,106	300,000,000
		<u>10,010,589,406</u>	<u>8,417,713,048</u>
Less: Current maturity		<u>(2,143,075,981)</u>	<u>(1,862,381,843)</u>
		<u><u>7,867,513,425</u></u>	<u><u>6,555,331,205</u></u>

8.1 Loan from Government of Pakistan:

This loan has been advanced by the Government of Pakistan (GoP) for the restoration of Power Distribution Infrastructure and Electricity Consumption in earthquake affected areas. The loan is free of interest charges and currency fluctuations.

8.2 Asian Development Bank - Trench I

This represents relevant portion of total term finance facility obtained by the Government of Pakistan (GoP) from Asian Development Bank (ADB) for power distribution and enhancement project. Out of total finance facility an amount of US \$ 36.60 million has been allocated to the Company vide letter dated 30-03-2009 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility, the Company has utilized and repaid US \$ 22.661 million and US \$ 0.424 million respectively and left with outstanding amount up to US \$ 22.237 million as at June 30, 2018. Ministry of Economic Affairs & Statistics (Economic Affairs Division) vide letter No. 6-16(7) DMR/GF/2011 dated 25-08-2014 has revised the terms and conditions of the loan. Under the revised terms, the loan carries interest @ 17 % inclusive of exchange risk 6% is repayable in 26 semi-annual installments ending August 15, 2023 with first repayment due on February 15, 2011. Accordingly the principal amount which has fallen due and are due for repayment within 12 months of the reporting date has been transferred to current portion. Further, since the revised repayment terms require the repayment of principal in Pak Rupee, exchange difference arising on revaluation of this loan for the year has not been recognized.

8.3 Asian Development Bank - Trench II

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility, an amount of US \$ 26.66 million has been allocated to the Company vide letter No. 1(3) ADB-II/06-A dated 31-03-2011 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the letter dated 09-04-2011 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division), the loan amount has been lent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.

Final

- repayment maximum period of 17 years excluding a grace period of 3 years.
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.4 Asian Development Bank - Trench III

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility an amount of US \$ 21.55 million has been allocated to the Company vide letter No. 2(9) ADB-II/12 dated 31-12-2013 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility the company has utilized US \$ 7.38 million up to June 30, 2016. As per the letter dated 31-12-2013 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division) the loan amount has been relent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- repayment maximum period of 20 years including a grace period of 5 years.
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.5 Asian Development Bank - Trench IV

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility an amount of US \$ 24.71 million has been allocated to the Company vide letter No. 2(18) ADB-II/13 dated 07-11-2014 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) GoP. Out of the total allocated facility the company has utilized US \$ 9.77 million up to June 30, 2016. As per the letter dated 07-11-2014 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division) the loan amount has been relent to the Company on the following terms:

- 15% inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- repayment maximum period of 25 years including a grace period of 5 years.
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.6 Earthquake Reconstruction and Rehabilitation Authority

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US \$ 11.00 million has been allocated to the Company vide letter dated 22-07-2008 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the above said letter, the loan amount has been relent to the Company on the terms and conditions agreed between the GoP and ADB which are as follows:

- the facility carries interest at 1% per annum on the amount of the loan withdrawn from the loan account and outstanding from time to time.
- repayment maximum period of 40 years including a grace period of 10 years, repayment shall be made in 30 semi annual installments.

8.7 Electrification work at Chitral (CCPR-3129)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for electrification works at different valleys of Lower District Chitral. The project involves construction of 437.73 KM HT line and 597 KM LT line in District Chitral Lower area. The total estimated cost of the project is Rs. 1,558.689 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2022, an amount of Rs. 185.750 million has been released by the Ministry, however, adjustment of Rs. 13.453 million was recorded against the accrued markup after which accumulated loan amount is Rs. 199.203 million.

8.8 132 KV Grid system Chitral (CCPR-3130)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for establishment of 132 KV along with up-gradation of existing 33 KV Grid System in District Chitral. The total estimated cost of the project is Rs. 309.981 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2022, an amount of Rs. 138.909 million has been released by the Ministry, however adjustment of Rs. 9.613 million was recorded against the accrued markup after which accumulated loan amount is Rs. 148.522 million.

8.9 Evacuation of Power from Swabi (CCPR-3131)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 132 KV transmission lines to evacuate power from 220 KV Grid Station Swabi to meet with the additional load demand and voltage profile improvement in the area. The total estimated cost of the project is Rs. 747.29 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2022, an amount of Rs. 206.680 million has been released by the Ministry, however adjustment of Rs. 23.320 million was recorded against the accrued markup after which accumulated loan amount is Rs. 230 million.

8.10 Supply of Power to Rasahkal Economic Zone (CCPR-7018)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 11 KV feeder and 132 KV transmission lines for supply of Power to Rashakai Special Economic Zone. The total estimated cost of the project is Rs. 182,5.796 million. As per schedule provided by the Finance Division, the loan has been lent on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2022, an amount of Rs. 1,330.664 million has been released by the Ministry, however adjustment of Rs. 127.198 million was recorded against the accrued markup after which accumulated loan amount is Rs. 1,457.862 million.

8.11 Supply of Power to Hattar Economic Zone (CCPR-7019)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 11 KV feeder and 132 KV transmission lines for supply of Power to Hattar Special Economic Zone. The total estimated cost of the project is Rs. 1036.828 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2022, an amount of Rs. 699.141 million has been released by the Ministry, however adjustment of Rs. 42.953 million was recorded against the accrued markup after which accumulated loan amount is Rs. 742.094 million.

Rash

9 STAFF RETIREMENT BENEFITS

Four types of defined benefit plans are offered by the Company namely, pension, medical, free electricity and compensated absences.

2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Pension obligations		Free electricity		Medical benefits		Compensated absences		Total	
Rupees									

9.1 Present value of defined benefit obligation	109,458,241,759	91,482,715,367	4,738,365,842	7,332,610,369	8,618,513,658	1,370,519,960	3,605,990,342	3,218,633,190	126,421,111,601	103,404,478,887
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9.2 Amount recognized in statement of financial position is as follows:

Net liability at the beginning of the year	91,482,715,367	81,368,927,681	7,332,610,369	6,280,362,570	1,370,519,960	1,085,084,496	3,218,633,190	3,439,335,918	103,404,478,886	92,173,710,666
Charge for the year	9,600,928,589	10,146,458,029	810,276,893	753,118,393	206,090,811	130,989,840	388,500,067	351,499,978	11,005,794,140	11,382,066,240
Re-measurement of liability	14,944,178,930	6,531,777,868	(3,300,533,381)	385,884,683	7,049,597,357	161,125,824	96,413,830	(572,202,707)	18,789,656,736	6,506,565,669
Benefits paid during the year	(6,569,579,107)	(6,564,448,211)	(103,988,039)	(86,735,277)	(7,694,270)	(6,680,200)	(87,556,745)	-	(6,778,818,161)	(6,657,863,688)
	109,458,241,759	91,482,715,367	4,738,365,842	7,332,610,369	8,618,513,658	1,370,519,960	3,605,990,342	3,218,633,190	126,421,111,601	103,404,478,887

9.3 Salaries, wages and benefits include the following in respect of defined benefits plans:

Current service cost	560,639,172	551,297,242	64,013,717	129,418,900	66,006,647	22,815,400	63,589,948	7,566,386	754,249,484	711,097,928
Past service cost	-	1,786,490,429	-	-	-	-	-	-	-	1,786,490,429
Interest cost	9,040,287,397	7,808,670,358	746,263,176	623,899,493	140,083,964	108,174,440	324,910,119	343,833,592	10,251,544,666	8,884,477,883
Loss on re-measurement of liability	14,944,178,930	6,531,777,868	(3,300,533,381)	385,884,683	7,049,597,357	161,125,824	96,413,830	(572,202,707)	18,789,656,736	6,506,565,668
	24,545,105,499	16,678,235,897	(2,490,256,488)	1,138,983,078	7,255,687,968	292,115,664	484,913,897	(220,702,729)	29,795,450,876	17,888,631,808

9.4 Actuary valuation assumptions:

2022	2021	2022	2021	2022	2021	2022	2021
Pension obligations		Free electricity		Medical benefits		Compensated absences	

-Valuation discount rate	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
-Salary increase rate	9.25%	9.25%	-	-	-	9.25%	9.25%
-Indexation in pension	4.50%	4.50%	-	-	-	-	-
-Medical inflation rate	-	-	-	-	-	-	-
-Electricity inflation rate	-	-	8.25%	8.25%	-	-	-

9.5 Sensitivity analysis

Particulars	June 30, 2022 (Rs)	June 30, 2021 (Rs)
Current liability of pension	109,458,241,759	91,482,715,367
1% Increase in discount rate	86,118,037,678	85,283,309,903
1% Decrease in discount rate	107,668,072,756	107,668,072,756
1% Salary increase rate	94,660,212,174	94,660,212,174
1% Salary decrease rate	89,520,227,897	89,520,227,897
1% Pension increase rate	105,451,019,528	105,451,019,528
1% Pension decrease rate	85,820,286,695	85,820,286,695
1 year mortality age set back	86,349,411,078	86,349,411,078
1 year mortality age set forward	81,905,092,849	81,905,092,849

End

10 DEFERRED CREDIT

	2022 Rupees	2021 Rupees
Balance brought forward	51,518,071,095	47,388,392,982
Additions during the year	6,240,577,779	4,129,878,113
	57,758,648,874	51,518,071,095
Amortization		
- Balance brought forward	(16,465,786,124)	(14,613,324,362)
- For the year	(2,070,881,984)	(1,852,461,762)
	(18,536,668,108)	(16,465,786,124)
	39,221,980,766	35,052,284,971

10.1 This represents amount received from customers for new connections/construction works. The amount is initially recorded under "Trade Payables" and then transferred to this head once task is completed. The amount is amortized over the life of fixed assets.

11 CONSUMERS' SECURITY DEPOSITS

	2022 Rupees	2021 Rupees
Consumers' security deposits	6,260,816,713	5,546,066,924

These represent security deposits received from consumers at the time of electricity connection and are refundable/adjustable on disconnection of electricity supply. This amount has been kept in a separate bank account.

12 TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Associated undertakings - unsecured	12.1	415,885,191,829	391,675,632,352
Trade creditors payable		2,524,342,316	1,217,128,686
		418,409,534,145	392,892,761,038
Receipt against deposit work		25,518,413,497	22,440,427,037
Realized :			
Electricity duty		-	37,243,749
Professional tax		452,650	1,790,827
Income tax withheld		454,968,955	193,793,621
TV license fee		51,650,504	56,344,136
Neelum Jhelum surcharge		865,425,953	837,662,376
Equalization surcharge		772,909,809	774,076,319
Taxes		966,959	7,873,973
Finance cost surcharge		1,074,810,227	3,411,019,608
UOS/Tariff rationalization surcharge		993,008,113	968,220,142
General sales tax		396,141,810	123,525,829
		4,610,334,980	6,411,550,580
Un -Realized :			
Electricity duty		1,473,522,049	1,257,718,139
Income tax on electricity bills		1,110,158,680	856,087,888
TV license fee		1,189,778,464	1,067,738,175
Neelum Jhelum surcharge		1,310,670,255	1,339,448,119
Equalization surcharge		225,487,424	225,737,232
Taxes		102,306,627	106,550,420
Finance cost surcharge		4,195,156,698	3,557,203,522
UOS/Tariff rationalization surcharge		223,763,781	265,056,897
General sales tax		1,357,830,815	1,357,830,815
		11,188,674,793	10,033,371,207

Others:

Employees shares in fund
Accrued liabilities
Retention money - contractors / suppliers
Capital contribution awaiting connections
Other liabilities

2022
Rupees

2021
Rupees

8,831,180	6,479,544
1,405,113,684	1,291,364,491
534,463,975	421,765,306
975,981,970	699,717,349
38,234,163	50,726,760
2,962,624,972	2,470,053,450
<u>462,689,582,387</u>	<u>434,248,163,312</u>

12.1 Creditors - associated undertakings

National Transmission and Dispatch Company
Faisalabad Electric Supply Company
Multan Electric Power Company
Central Power Purchasing Agency
Pakistan Electric Power Company
CE (RE) Lahore

3,352,873,276	3,406,156,684
67,614,946	62,747,562
458,560,666	460,082,018
411,987,894,772	387,727,534,342
13,349,580	14,213,157
4,898,589	4,898,589
<u>415,885,191,829</u>	<u>391,675,632,352</u>

13 ACCRUED MARKUP

Asian Development Bank - Trench I (2438-PK)
Asian Development Bank - Trench II (2727-PK)
Asian Development Bank - Trench III (2972-PK)
Asian Development Bank - Trench IV (3096-PK)
Earthquake Reconstruction and Rehabilitation Authority
Electrification work at Chitral(Federal PSDP) CCPR-3129
132 KV Grid system Chitral (Federal PSDP) CCPR-3130
Evacuation of Power from Swabi(Federal PSDP) CCPR-3131
Supply of Power to Rasahkal E Zone(Federal PSDP) CCPR-7018
Supply of Power to Hattar E Zone(Federal PSDP) CCPR-7019

407,554,919	358,451,917
485,479,947	403,390,065
1,089,708,243	838,763,732
955,005,945	736,232,431
143,535,663	99,100,527
7,371,000	2,908,000
6,453,800	2,011,800
5,730,000	4,917,000
45,400,400	26,990,400
32,634,000	9,646,000
<u>3,178,873,917</u>	<u>2,482,411,872</u>

13.1 During the year 2020, receivable from AJK amounting to Rs. 3,450 million has been adjusted against accrued markup amounting to Rs. 1,686.539 million against ADB Trench I, Rs. 823.603 million against ADB Trench II, Rs. 464.247 million against ADB Trench III, Rs. 411.167 million against ADB Trench IV and Rs. 64.13 million against ERRA as non cash adjustment vide GoP Finance Division letter No. F.I(14)CF-1/2015-16/1290 dated 26-09-2019.

14 CONTINGENCIES AND COMMITMENTS

There are no material contingencies as at reporting date (2021: Nil).

15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

Note	2022 Rupees	2021 Rupees
15.1	68,373,127,271	59,012,674,313
15.2	<u>33,544,159,853</u>	<u>26,649,319,449</u>
	<u>101,917,287,124</u>	<u>85,661,993,762</u>

FIN

15.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings	Distribution equipment	Computer and ancillary equipment	Furniture and fixtures	Vehicles	Other equipment	Total
Rupees									
As at June 30, 2020									
Cost	792,532,415	878,400	3,303,023,671	81,172,907,100	679,387,289	46,454,701	725,345,087	674,915,111	87,395,443,774
Accumulated depreciation	-	-	(791,014,977)	(30,041,608,679)	(315,008,655)	(35,606,106)	(634,685,446)	(373,132,147)	(32,191,056,010)
Net book value	792,532,415	878,400	2,512,008,694	51,131,298,421	364,378,634	10,848,595	90,659,641	301,782,964	55,204,387,764
Year ended June 30, 2021									
Opening net book value	792,532,415	878,400	2,512,008,694	51,131,298,421	364,378,634	10,848,595	90,659,641	301,782,964	55,204,387,764
Additions during the year	215,393,854	-	-	-	31,236,877	2,689,522	201,525,000	122,089,567	572,934,820
Transfers from CWIP	-	-	316,954,081	6,214,256,330	-	-	-	-	6,531,210,411
Disposals									
Cost	-	-	-	(46,190,529)	-	-	(9,379,758)	-	(55,570,287)
Accumulated depreciation	-	-	-	46,190,529	-	-	9,379,758	-	55,570,287
Depreciation charge	-	-	(71,850,609)	(3,031,572,154)	(64,617,415)	(2,748,989)	(54,162,738)	(70,906,777)	(3,295,858,682)
Closing net book value	1,007,926,269	878,400	2,757,112,166	54,313,982,597	330,998,096	10,789,128	238,021,903	352,965,754	59,012,674,313
As at June 30, 2021									
Cost	1,007,926,269	878,400	3,619,977,752	87,340,972,901	710,624,166	49,144,223	917,490,329	797,004,678	94,444,018,718
Accumulated depreciation	-	-	(862,885,586)	(33,026,990,304)	(379,626,070)	(38,355,095)	(679,468,426)	(444,038,924)	(35,431,344,405)
Net book value	1,007,926,269	878,400	2,757,112,166	54,313,982,597	330,998,096	10,789,128	238,021,903	352,965,754	59,012,674,313
Year ended June 30, 2021									
Opening net book value	1,007,926,269	878,400	2,757,112,166	54,313,982,597	330,998,096	10,789,128	238,021,903	352,965,754	59,012,674,313
Additions during the year	107,653,034	-	-	6,248,273,345	48,891,164	4,091,009	288,132,240	125,153,336	6,822,194,128
Transfers from CWIP	-	-	218,259,533	6,029,337,483	-	-	-	-	6,247,597,016
Disposals									
Cost	-	-	-	-	-	-	(28,961,234)	-	(28,961,234)
Accumulated depreciation	-	-	-	-	-	-	28,961,234	-	28,961,234
Depreciation charge	-	-	(73,918,426)	(3,406,954,893)	(63,978,625)	(2,761,302)	(83,089,588)	(78,637,352)	(3,709,338,186)
Closing net book value	1,115,579,303	878,400	2,901,455,273	63,184,638,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
As at June 30, 2022									
Cost	1,115,579,303	878,400	3,838,237,285	99,618,583,729	759,515,330	53,235,232	1,176,661,335	922,158,014	107,484,848,628
Accumulated depreciation	-	-	(936,782,012)	(36,433,945,197)	(443,804,695)	(41,116,397)	(733,596,780)	(522,678,276)	(39,111,721,357)
Net book value	1,115,579,303	878,400	2,901,455,273	63,184,638,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
Annual rate of depreciation	-	-	2%	3.5%	10%	10%	10%	10%	-

	2022 Rupees	2021 Rupees
15.1.1 Reconciliation of book value:		
Net book value at the beginning of the year	59,012,674,313	55,204,387,764
Additions during the year	6,822,194,128	572,934,820
Transfers from CWIP	6,247,597,016	6,531,210,411
Disposal during the year	(28,961,234)	(55,570,287)
Depreciation for the year	(3,709,338,186)	(3,295,858,682)
Depreciation adjustment on disposal	28,961,234	55,570,287
Net book value at the end of the year	<u>68,373,127,271</u>	<u>59,012,674,313</u>

15.1.2 Government of Pakistan (GoP) and Ministry of Energy through Power Holding (Private) Limited is in process of arranging Shariah Compliant Islamic Finance Facility through issuance of Sukuk amounting Rs. 400 billion to settle the Energy Sector Circular Debts of all DISCO's. During the year 30-06-2019 & 30-06-2020, GoP has issued Pakistan Energy Sukuks under Ijarah agreement for PKR 400 billion for the period of 10 years to the Banks, Mutual Funds, Security Broker and other Domestic Financial Institutions. For this purpose PESCO Land is treated as underlying asset. Under the arrangement, PESCO holds the title of these Assets as Trustee/Title Agent on behalf of Sukuk Certificate holders. The legal documents executed by PESCO and the relevant counter parties reveal that the said assets have been leased out under an Ijarah agreement to GOP with an undertaking to resell the Assets to the PESCO at the end of the Ijarah Term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of PESCO has exercised its judgement, as required under International Accounting Standards (IAS)-1, "Presentation of Financial Statements", that the said transaction was in substance, a financing arrangement and therefore did not give rise to revenue on account of disposal of PESCO Assets. The management also determined that PESCO could not derecognize the Assets as the conditions to recognize revenue on sale of land have not been satisfied. In view of the above, based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL, the repayment of Ijarah Sukuk and Ijarah rentals is the responsibility of the GoP and PESCO does not have to derecognize the assets in its financial statements.

	Note	2022 Rupees	2021 Rupees
15.2 Capital work in progress			
Civil works		484,033,912	488,834,768
Distribution equipment work in progress	15.2.2 & 15.2.3	33,060,125,941	26,160,484,681
		<u>33,544,159,853</u>	<u>26,649,319,449</u>
15.2.1 Movement of CWIP is as follows:			
Opening balance		26,649,319,449	19,756,073,245
Addition during the year		13,142,437,420	13,424,456,615
Transferred to operating fixed assets		(6,247,597,016)	(6,531,210,411)
		<u>33,544,159,853</u>	<u>26,649,319,449</u>

15.2.2 This includes Deposit Work in Progress amounting to Rs. 14,643 million (2021: Rs. 8,273 million).

15.2.3 Financial expenses of the following PSDP loans will be capitalized during the year as per IAS 23 "Borrowing Costs".

	2022 Rupees	2021 Rupees
Electrification work at Chitral (CCPR-3129)	16,645,000	4,179,000
132 KV Grid system Chitral (CCPR-3130)	11,305,000	4,762,000
Evacuation of Power from Swabi (CCPR-3131)	20,056,000	8,990,000
Supply of Power to Rashkai Economic Zone (CCPR-7018)	123,781,000	48,817,000
Supply of Power to Hattar Economic Zone (CCPR-7019)	57,673,000	17,914,000
	<u>229,460,000</u>	<u>84,662,000</u>

16 LONG TERM LOANS - considered good

House building advance	2,482,787	8,641,008
Car advance	5,000	5,000
Motor cycle advance	67,482	80,481
Purchase of plot	556,664	6,070,661
	<u>3,111,933</u>	<u>14,797,150</u>
Current maturity of long term loans	(1,325,884)	(6,598,950)
	<u>1,786,049</u>	<u>8,198,200</u>

16.1 This represents long term loans made to employees. House building and plot loans are repayable in 10 years, car and motor-cycle loans in 5 years. Markup is charged on these loans at the same rate as that payable on employees balances in General Provident Fund. Loans are secured by mortgage of immovable property and hypothecation of vehicles.

	Note	2022 Rupees	2021 Rupees
17 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		9,585,082,268	4,898,792,923
Provision for obsolete stores		(4,968,483)	(4,968,483)
		<u>9,580,113,785</u>	<u>4,893,824,440</u>

18 TRADE DEBTS

Sale of electricity	18.2	47,981,134,388	43,389,406,549
Government levies and other charges		30,996,347,451	27,058,394,560
Secured and considered good		78,977,481,839	70,447,801,109
Considered doubtful		92,038,054,450	83,977,953,504
		<u>171,015,536,289</u>	<u>154,425,754,613</u>
Provision for doubtful debts		(92,038,054,450)	(83,977,953,504)
		<u>78,977,481,839</u>	<u>70,447,801,109</u>

18.1 Trade debts are secured to the extent of corresponding consumers' security deposits against electricity connection.

	Note	2022 Rupees	2021 Rupees
18.2 Government levies and other charges			
Electricity duty receivable-E/Bills		1,473,522,049	1,257,718,139
Income tax receivable-E/Bills		1,110,158,680	856,087,888
G.S.T receivable		20,761,948,544	18,095,425,947
T.V fee receivable		1,189,778,464	1,067,738,175
Neelum Jhelum surcharge receivable		1,310,670,255	1,339,448,119
Equalization surcharge receivable		225,487,424	225,737,232
Extra tax receivable		179,525,330	93,695,761
Further tax receivable		143,079,616	126,694,851
Sales tax 2014 receivable		80,760,620	66,848,245
Tax under 235-A receivable		99,612,733	106,373,659
Tax under 235-B receivable		2,693,894	176,761
FC surcharge receivable		4,195,156,698	3,557,203,522
U.O.S/Tariff rationalization surcharge receivable		223,763,781	265,056,897
Additional tax receivable		189,363	189,364
		<u>30,996,347,451</u>	<u>27,058,394,560</u>

19 LOANS AND ADVANCES - considered good

Current portion of long term loans - considered good	16	1,325,884	6,598,950
Advances to suppliers - considered good		323,874,630	142,703,146
Advance income tax		2,118,442,254	2,052,974,293
Advances for expenses	19.1	52,608,207	35,778,223
		<u>2,496,250,975</u>	<u>2,238,054,612</u>

19.1 Advances for expenses

Against other expenses		48,242,975	31,939,899
For travelling expenses		4,365,232	3,838,324
		<u>52,608,207</u>	<u>35,778,223</u>

20 OTHER RECEIVABLES - considered good

Due from WAPDA and associated undertakings-net	20.1	46,458,961,973	44,161,764,724
Receivable from tax authorities	20.2	44,858,512,634	41,065,818,275
Pension receivable from associated undertakings	20.3	4,248,320,286	4,809,760,934
Others receivables - net		169,100,322	82,975,446
		<u>95,734,895,215</u>	<u>89,920,320,379</u>

Dim

	2022 Rupees	2021 Rupees
20.1 Due from WAPDA and associated undertakings - net		
WAPDA Welfare Fund	616,886,510	507,692,308
WAPDA	398,226,146	398,226,146
GENCO-1	664,299	558,424
GENCO-2	5,227,776	4,249,819
GENCO-3	6,812,552	5,857,789
Lahore Electric Supply Company	7,644,189	6,728,828
Quetta Electric Supply Company	70,774,374	60,084,851
Gujranwala Electric Power Company	8,721,093	4,497,102
Islamabad Electric Supply Company	420,006,425	350,060,220
Hyderabad Electric Supply Company	3,897,646	3,247,901
GENCO-4	1,539,342	1,424,394
Tribal Electric Supply Company	44,916,271,384	42,817,491,762
Sukkar Electric Power Company	2,290,237	1,645,180
	<u>46,458,961,973</u>	<u>44,161,764,724</u>
20.2 Receivable from tax authorities		
Receivable from tax authorities - net	44,858,512,634	41,065,818,275
	<u>44,858,512,634</u>	<u>41,065,818,275</u>

20.2.1 This represents amounts receivable from taxation authorities in respect of carry forward of excess input tax paid over output tax. The management of the Company believes that excess amounts of input sales tax paid are refundable on a lump sum basis or through monthly claims in the Company's sales tax returns.

20.2.2 Four sales tax refund cases involving total amount of Rs.16,275 million are pending before Islamabad High Court, Islamabad. Previously the Appellate Tribunal Inland Revenue (ATIR) has decided the matter in favor of PESCO. Moreover, sales tax refund amounting to Rs.15,063 million is also pending before the Peshawar High Court and the management of the Company believes that decisions of these cases are likely to be in favor of Company.

20.2.3 Regional Tax Office (RTO), Peshawar issued four show cause notices to the Company on the issue of adjustment of sales tax collected from Steel Melter consumers against the accumulated credit sales tax balance of the Company, for the period from May 2008 to December 2010, July 2012 to December 2012, January 2013 and February 2013 in which sales tax demands of Rs. 1,630 million, Rs. 531 million, Rs. 65 million and Rs. 21 million respectively were raised. The Company contested these show cause notices, however Deputy Commissioner Peshawar, Commissioner Inland Revenue (Appeals) Peshawar and Peshawar High Court decided the matter of demands of Rs. 1,630 million, Rs. 531 million, Rs. 65 million and Rs. 21 million in favor of RTO Peshawar, hence the disputed amounts were recovered. The said decisions of lower court were challenged before the Supreme Court of Pakistan, however the Supreme Court has decided the matter in favour of FBR vide a short order issued on 15-02-2021. The management of the Company believes that since this is an industry wide issue, therefore the company has positive prospects to get favourable outcome.

20.2.4 A show cause notice has been issued to the company by RTO for recovery of Rs. 314 million, 344 million and 464 million adjusted against the output tax collected from Steel Melter against the credit sales tax balance of the company for the period from January 2011 to June 2011, July 2011 to December 2011 and January 2012 to June 2012 respectively and the same was also recovered. The Commissioner Inland Revenue (Appeals) and Appellate Tribunal Inland Revenue (ATIR), Peshawar decided the appeals of cases amounting to Rs. 314 million and Rs. 464 million against the Company whereas ATIR has accepted the company's appeal in the case amounting to Rs. 344 million in favor of the company. The said orders of ATIR Peshawar were challenged and are pending before Peshawar High Court for adjudication.

20.2.5 Appeal against Tax liability created on account of inadmissible input tax on supplies to Tribal Areas (PATA) to the tune of Rs. 2,093 million have been decided by ATIR in favour of the PESCO, the order of ATIR has been challenged by FBR before the Peshawar High Court and the same is pending for adjudication. Another appeal against tax liability of Rs. 5,130 million created on account of inadmissible input tax on supplies to Tribal Areas (PATA) is pending for adjudication before ATIR, Lahore. Moreover, an appeal (Sales tax reference) against the tax liability of Rs. 1,650 million is also pending before the Peshawar High Court. In another instance, a tax liability of Rs. 5,050 million has been created against the Company by RTO Peshawar on similar grounds, the company has filed an appeal before the CIR (Appeals) Peshawar and the same is pending for adjudication. Since, the appellate authorities has already decided similar cases in favour of the company, the management of the company believes that there is high likelihood of winning these cases.

20.2.6 Three cases related to Sales Tax liability on 'Subsidies received from GoP' involving tax liabilities to the tune of Rs. 6,412 million, Rs. 5,002 million and Rs. 4,862 million have been decided in favor of the Company by before ATIR, however the department has filed a Sales Tax reference before the Peshawar High Court against the order of the ATIR in the instant matter. The management of the company believes that since ATIR has decided the issue in favour of the Company, therefore the likelihood of winning these cases is high.

	2022 Rupees	2021 Rupees
20.3 Pension receivable from associated undertakings - unsecured, considered good		
WAPDA	2,771,182,021	2,790,489,895
GENCO-1	4,469,838	4,126,201
GENCO-2	11,961,761	8,377,302
GENCO-3	12,197,297	12,821,350
National Transmission and Dispatch Company Limited	536,941,140	500,159,306
Lahore Electric Supply Company Limited	134,221,795	132,242,909
Faisalabad Electric Supply Company Limited	144,062,091	162,285,816
Multan Electric Power Company Limited	60,542,118	67,040,680
Quetta Electric Supply Company Limited	28,563,674	38,349,677
Gujranwala Electric Power Company Limited	5,804,428	100,869,403
Islamabad Electric Supply Company Limited	409,836,017	487,941,972
Hyderabad Electric Supply Company Limited	57,935,355	53,792,470
GENCO-4	2,023,827	1,478,723
Tribal Area Electric Supply Company Limited	55,249,646	162,317,728
Pakistan Electric Power Company Limited	-	73,655,637
Sukkar Electric Power Company	13,329,478	10,973,445
Regional Representative Karachi	-	321,849
Power Information Technology Company	-	2,516,571
	<u>4,248,320,286</u>	<u>4,609,760,934</u>

20.3.1 The maximum amount due from related parties at the end of month is Rs. 4.248 billion (2021 Rs. 4.609 billion).

21 RECEIVABLE FROM GOVERNMENT OF PAKISTAN (Ministry of Finance)

This represents subsidy receivable from Ministry of Finance on account of tariff differential. Movement in this account during the year is as follows:

	2022 Rupees	2021 Rupees
Opening balance as at July 01,	63,704,244,859	62,986,942,131
Tariff differential subsidy recognized during the year	30,493,901,037	53,983,729,932
Industrial support package claimed	2,156,329,699	2,836,229,357
Zero rated subsidy claim	1,436,650,365	451,356,159
Small Business and Industry subsidy claim	-	2,785,615,393
Prime minister relief package	5,764,118,309	-
Credit note adjusted	<u>(60,654,045,009)</u>	<u>(59,339,628,113)</u>
	<u>42,901,199,260</u>	<u>63,704,244,859</u>

21.1 Tariff differential subsidy is net off tariff rationalization surcharge of Rs. 9.476 billion (2021: Rs. 2.963 billion) adjusted against receivable from Government of Pakistan through tariff differential subsidy invoices.

22 CASH AND BANK BALANCES	Note	2022 Rupees	2021 Rupees
Cash in hand		-	2,820
Cash at banks in:			
Deposit accounts	22.1	2,097,794,537	6,809,211,246
Current accounts	22.2	<u>7,154,217,252</u>	<u>6,666,382,010</u>
		<u>9,252,011,789</u>	<u>13,475,596,076</u>

22.1 These include interest ranging from 11.15 % to 14.2 % (2021: 5% to 7%) per annum.

22.2 These include balances of capital contribution accounts of Rs. 1,401 million (2021: Rs. 2,235 million) and meter security accounts of Rs. 5,757 million (2021: Rs. 3,867 million).

	Note	2022 Rupees	2021 Rupees
23 SALE OF ELECTRICITY			
Gross sale of electricity		206,690,790,718	153,911,128,084
Less: Sales tax		(34,909,063,879)	(20,265,935,503)
Net sale of electricity		171,781,726,839	133,645,192,581
Subsidy from the Government of Pakistan (GoP) on sale of electricity	23.1	49,234,102,318	58,979,871,303
Industrial support package from GoP on sale of electricity		2,156,329,699	2,836,229,357
		51,390,432,017	61,816,100,660
		<u>223,172,158,856</u>	<u>195,461,293,241</u>

23.1 This includes tariff differential subsidy of Rs. 28,777 million (2021: Rs. 39,860 million), zero rated subsidy of Rs. 1,437 million (2021: Rs. 451 million), applicable quarterly tariff subsidy of Rs. 13,256 million (2021: Rs. 17,088 million), prime minister relief package subsidy of Rs. 5,764 million (2021: Rs. Nil) and small & medium enterprise subsidy of Rs. Nil (2021: 1,581 million).

	Note	2022 Rupees	2021 Rupees
24 COST OF ELECTRICITY			
Central Power Purchase Agency	24.1	288,472,469,849	185,902,156,242
Market Operations Agency Fee		73,305,391	58,900,563
Inadmissible sales tax on supplies		4,256,816,568	2,298,556,024
		<u>292,802,591,808</u>	<u>188,257,612,829</u>

24.1 This includes Power purchase of Rs. 276.067 (2021: Rs. 190.049 billion net of adjustment of Rs. 4.146 billion) relating to financial years 2009-2015.

	Note	2022 Rupees	2021 Rupees
25 OTHER OPERATING COST EXCLUDING DEPRECIATION			
Salaries, wages and other benefits		23,616,859,225	22,162,056,991
Repairs and maintenance		1,038,720,195	1,176,814,504
Rent, rates and taxes		121,281,092	226,691,786
Power, light and water		83,438,238	70,346,994
Postage and telephone		35,352,844	56,505,025
Office supplies and other expenses		487,152,416	402,218,070
Travelling allowance		283,026,943	236,320,046
Transportation expenses		203,245,024	182,548,808
Insurance expense		17,990,361	30,126,175
Electricity bill collection charges		214,879,818	235,230,667
Legal and professional charges		54,379,042	37,516,439
PITC and other charges	25.2	145,048,544	107,344,825
NEPRA fee and charges		46,098,124	36,940,796
Auditor's remuneration		950,000	1,080,000
Advertisement and publicity		18,342,325	18,229,765
Provision for doubtful debts		8,060,100,946	8,427,867,283
Write-off long term advance		-	115,000
Directors fee		20,585,685	9,425,730
Miscellaneous expenses		18,485,847	16,680,514
		<u>34,465,916,669</u>	<u>33,434,059,418</u>

25.1 Salaries, wages and other benefits include retirement benefits of an amount of Rs. 11.005 billion (2021: Rs. 11.382 billion).

25.2 These charges include payments made by the company to Power Information Technology Company (PITC).

	Note	2022 Rupees	2021 Rupees
26 RENTAL AND SERVICE INCOME			
Meter rent		38,669,763	42,839,209
Public lighting		1,865,054	2,009,147
Service rent		1,650,721	8,395,232
Connection / reconnection fee		6,717,839	5,927,610
		<u>48,903,377</u>	<u>59,171,198</u>

27 OTHER INCOME

Profit on bank deposits		971,445,234	638,178,037
Sale of scrap		364,016,365	157,884,807
Late payment surcharge		2,964,934,049	2,896,813,950
Wheeling charges from TESCO	27.1	2,490,046,402	2,800,605,820
Exchange gain		-	48,111,794
Miscellaneous		944,411,554	1,202,034,562
		<u>7,734,853,604</u>	<u>7,743,628,970</u>

27.1 This represent the amount charged to TESCO for the use of Company's transmission system / lines for electricity purchased from CPPA.

	2022 Rupees	2021 Rupees
28 FINANCE COST		
Asian Development Bank - Trench I (2438-PK)	49,103,002	75,291,270
Asian Development Bank - Trench II (2727-PK)	82,089,882	118,728,051
Asian Development Bank - Trench III (2972-PK)	250,944,511	266,466,853
Asian Development Bank - Trench IV (3096-PK)	218,773,514	231,517,601
Earthquake Reconstruction and Rehabilitation Authority	12,852,595	11,657,682
Bank charges	6,098,624	4,680,702
Overheads charged by CPPA	879,673,400	-
Exchange loss	414,949,579	-
	<u>1,914,485,107</u>	<u>708,342,159</u>

29 TAXATION

Current tax	2,257,808,735	2,139,934,147
Prior year	4,858,042	26,365,590
	<u>2,262,666,777</u>	<u>2,166,299,737</u>

29.1 Provision for current year taxation has been made on the basis of minimum tax on turnover under section 113 of income tax ordinance 2001. Accordingly numerical reconciliation between the average tax rate and applicable tax rate has not been presented in the financial statements.

29.2 In view of uncertainty of taxable profit in the foreseeable future against which the losses could be utilized, the company has not recognized deferred tax asset. Had the company recognized deferred tax, deferred tax asset as at June 30, 2022 would be Rs. 52,271 million (2021: Rs. 94,217 million).

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 30, 2022			June 30, 2021		
	Chief Executive Officer	Directors	Executives	Chief Executive	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	10,865,964	-	74,372,004	5,444,523	-	54,534,948
Meeting fee	-	20,585,685	-	-	9,425,730	-
Bonus-one time basic pay	168,310	-	2,903,730	132,230	-	-
Other perquisites	1,059,624	-	10,199,676	258,600	-	70,895,432
	<u>12,093,898</u>	<u>20,585,685</u>	<u>87,475,410</u>	<u>5,835,353</u>	<u>9,425,730</u>	<u>125,430,380</u>
Number of persons	<u>1</u>	<u>14</u>	<u>22</u>	<u>1</u>	<u>6</u>	<u>35</u>

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31 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

31.1 Credit risk

Credit risk is the risk of financial loss to the Company if a consumer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk to the extent of loans, deposits and advances, trade debts, interest accrued, other receivables and bank balances. The Company deals with regular and permanent consumers who normally make payments on time. The Company controls its credit risk by continuous monitoring of its receivables. The management believes that there is no credit risk involved in respect of receivables from the Government of Pakistan.

31.1.1 Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures. Out of total financial assets of Rs. 182,254 billion (2021: Rs.196,496 billion), the financial assets which are subject to credit risk amounted to Rs. 182,254 billion (2021: Rs. 196,496 billion). The carrying amounts of financial assets exposed to credit risk at reporting date are as

	2022 Rupees	2021 Rupees
Loans	3,111,933	14,797,150
Trade debts	78,977,481,839	70,447,801,109
Other receivables	50,876,382,581	48,854,502,104
Receivable from GoP (Ministry of Finance)	42,901,199,260	63,704,244,859
Bank balances	9,252,011,789	13,475,596,076
	<u>182,010,187,402</u>	<u>196,496,941,298</u>

Geographically there is no concentration of credit risk as the company operates in the same geographical area.

31.1.1.1 The maximum exposure to credit risk for trade receivables at the reporting date by type of sector is as follows:

	2022 Rupees	2021 Rupees
Government sector	19,579,682,966	17,815,457,750
Private sector	59,397,798,873	52,632,343,359
	<u>78,977,481,839</u>	<u>70,447,801,109</u>

31.1.2 Impairment losses

The aging of trade receivables at the reporting date was:

	2022		2021	
	Gross	Impairment	Gross	Impairment
	Rupees			
Not past due	24,515,134,867	13,193,686,180	19,733,155,908	105,138,447
Past due up to 1 year	2,802,567,502	1,508,300,742	2,171,058,197	437,200,238
Past due between:				
- 1 to 3 years	11,655,594,799	6,272,870,244	12,087,444,955	8,161,015,348
Over 3 years	132,042,239,121	71,063,197,285	120,434,095,553	75,274,599,471
	171,015,536,289	92,038,054,451	154,425,754,613	83,977,953,504

31.1.2.1 The movement in the allowance for impairment in respect of trade debts during the year was as follows:

	2022 Rupees	2021 Rupees
Balance as at July 01, 2021	83,977,953,504	75,550,086,221
Charge for the year	8,060,100,946	8,427,867,283
Balance as at June 30, 2022	92,038,054,450	83,977,953,504

31.1.3 Allowances for impairment

Based on past experience, the management believes that no impairment allowance is necessary in respect of trade debts against which impairment allowance has not been created. Trade debts are due from regular and permanent customers and mainly include government agencies and the Company does not expect these customers to fail to meet their obligations.

31.1.4 Write-off policy

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point the amount considered irrecoverable is written off against the financial asset directly.

31.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

31.2.1 The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

June 30, 2022				
Long term loans including markup		Trade and other payables		
Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows	
			Rupees	
Maturity up to one year	2,143,075,981	4,918,294,584	462,689,582,387	462,689,582,387
Maturity between 1 to 5 years	1,307,190,391	2,999,962,427	-	-
Maturity over five years	8,421,738,260	19,327,634,691	-	-
	11,872,004,632	27,245,891,702	462,689,582,387	462,689,582,387

June 30, 2021				
Long term loans including markup		Trade and other payables		
Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows	
			Rupees	
Maturity up to one year	1,862,381,843	5,033,121,267	434,248,163,312	434,248,163,312
Maturity between 1 to 5 years	1,335,026,000	4,160,883,941	-	-
Maturity over five years	5,220,305,205	10,124,391,743	-	-
	8,417,713,048	19,318,396,951	434,248,163,312	434,248,163,312

31.2.2 The contractual cash flows relating to the loan related financial liabilities have been determined on the basis of mark-up rates disclosed in note 8 to these financial statements.

31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to currency risk and interest rate risk only.

31.3.1 Exposure to currency risk

Foreign currency risk is the risk that the future cash flows of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2022 Rupees	2021 Rupees
Financial liabilities		
Long term loans	1,660,090,470	1,276,723,432
Accrued mark-up	143,535,663	99,100,527
Total exposure	<u>1,803,626,133</u>	<u>1,375,823,959</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
US Dollars	177.45	159.10	204.85	157.54

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on net foreign currency exposure at reporting date.

	2022 Rupees	2021 Rupees
Effect on loss	<u>128,057,455</u>	<u>137,579,165</u>

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post-tax loss.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

31.3.2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Majority of the interest rate exposure arises from long term loans. Therefore, a change in interest rate at reporting date would affect profit and loss of the company:

	2022 Rupees	2021 Rupees
Fixed rate instruments		
Financial assets		
Long term loans	1,786,049	8,198,200
Bank balances	2,097,794,537	6,809,211,246
	<u>2,099,580,586</u>	<u>6,817,409,446</u>
Financial liabilities		
Long term loans	<u>10,010,589,406</u>	<u>8,417,713,048</u>

31.4 Capital management

The company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure, which comprises capital and reserves, by monitoring its return on net assets, and make adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves and / or issue new shares.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

	2022 Rupees	2021 Rupees
31.5 Financial instruments by category		
Financial assets at amortized cost		
Loans	3,111,933	14,797,150
Trade debts	78,977,481,839	70,447,801,109
Other receivables	50,876,382,581	48,854,502,104
Receivable from GoP (Ministry of Finance)	42,901,199,260	63,704,244,859
Cash and bank balances	9,252,011,789	13,475,596,076
	<u>182,010,187,402</u>	<u>196,496,941,298</u>
Financial liability at amortized cost		
Long term loans	10,010,589,406	8,417,713,048
Consumers' security deposits	6,260,816,713	5,546,066,924
Trade and other payables	425,006,512,127	401,074,647,719
Accrued markup	3,178,873,917	2,482,411,872
	<u>444,456,792,163</u>	<u>417,520,839,563</u>

31.6 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

32 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

WAPDA holds 99.99% shares of the Company, therefore all electricity generation and distribution undertakings of WAPDA are related parties of the company. Other related parties comprise of associated companies, directors, key management personnel, Government of Pakistan and Government owned entities.

Transactions with Government of Pakistan and Government owned entities are not disclosed as the management is of the opinion that it is impracticable to disclose such transactions due to the nature of the Company's operations.

Balances with related parties have been disclosed in respective notes to the financial statements. Transactions with electricity generation and distribution undertakings of WAPDA, other than remuneration and benefits to Chief Executive as disclosed in note 30 to the financial statements are as follows:

	2022 Rupees	2021 Rupees
Free electricity supplied by the Company	200,063,737	138,597,198
Free electricity supplied to the Company	27,181,241	25,343,932
Services provided by the Company (mainly include cash remitted to CPPA)	152,798,270,369	113,238,213,002
Electricity purchased by the Company	292,802,591,808	188,257,612,829
Management fee	24,458,370	107,344,825
Wheeling charges recognized as income	2,490,046,402	2,800,605,820
Relent loan received during the year	1,312,182,220	1,050,312,548
Mark-up expense during the year	1,914,485,107	708,342,159
Subsidy adjusted during the year	60,654,045,009	59,339,628,113
Subsidy claimed during the year	39,850,999,410	60,056,930,841
Adjustment of equity	-	13,936,101,879

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33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	June 30, 2022		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	Rupees		
Balance as at July 01, 2021	10,900,124,920	(302,052,301,314)	(291,152,176,394)
Proceeds from long term loans	4,437,779,093	-	4,437,779,093
Loans adjusted	(1,184,812,265)	-	(1,184,812,265)
Total changes from financing activities	14,153,091,748	(302,052,301,314)	(287,899,209,566)
Other changes			
Interest expense	696,462,046	-	696,462,046
Total loan related other changes	696,462,046	-	696,462,046
Total equity related other changes	-	(120,917,857,462)	(120,917,857,462)
Balance as at June 30, 2022	14,849,553,793	(422,970,158,776)	(408,120,604,983)

	June 30, 2021		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	Rupees		
Balance as at July 01, 2020	8,629,922,754	(302,052,301,314)	(293,422,378,560)
Proceeds from Long term loans	1,568,179,303	-	1,568,179,303
Loans adjusted	(85,147,203)	-	(85,147,203)
Total changes from financing activities	10,112,954,854	(302,052,301,314)	(291,939,346,460)
Other changes			
Interest adjusted	787,170,066	-	787,170,066
Total loan related other changes	787,170,066	-	787,170,066
Total equity related other changes	-	(29,252,183,323)	(29,252,183,323)
Balance as at June 30, 2021	10,900,124,920	(331,304,484,637)	(320,404,359,717)

34 BENAZIR EMPLOYEE STOCK OPTION SCHEME

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises, where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP shall transfer 12 % of its investments in such SOEs and non-SOEs to a Trust Fund to be created for this purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The IFRS 2 "Share Based Payments" will be implemented once the shares are issued against "deposits for shares".

35 NUMBER OF EMPLOYEES

2022

2021

Total number of employees as at the reporting date

12,425

12,767

Average number of employees during the year

12,783

13,135

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 02 Nov 2022 by the Board of Directors of the Company.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison.

38 GENERAL

38.1 Nomenclature of the following accounts has been changed:

Previous Nomenclature

Deletion during the year

Depreciation adjustment

Management fees and other charges

Current Nomenclature

Disposal during the year

Depreciation adjustment on disposal

PITC and other charges

38.2 Figures have been rounded off to the nearest Rupees.

RM


CHIEF EXECUTIVE OFFICER


DIRECTOR

Calculation of Pay & Allowances & Related Prior Year Adjustmetns

Mln Rs.

Description	2021-22 Determined	2022-23 Determined	2022-23 Recalculated	2023-24 Projected
For Reference:				
Basic Pay-Computed			6,628	10,300
Other Allowances Added to Basic Pay @48% *			3,030	
Revised Basic Pay			9,658	
Breakup of Increase in Pay & Allowances:				
Annual Increment @5%	309	398	467	490
Adhoc Relief Allowance @ 10% FY 2021-22	648			
Adhoc Relief Allowance @ 15% FY 2022-23		947	947	1,545
DRA Allowance 25%	1,081			
DRA Allowance 15%	324		631	
Sub-Total: Increase in Pay & Allowances	2,361	1,344	2,045	2,035
Pay & Allowances-Reference	11,148	13,509	13,509	15,554
Pay & Allowances- Revised	13,509	14,853	15,554	17,590
Pay & Allowances- Determined	13,509	14,853	14,853	-
Shortfall as Prior Year Adjustment	-	-	701	-

* This amount has been calculated based on average increase in BPS vide Finance Division Notification no.283 dated 01/07/2022.

COMPARATIVE STATEMENT FOR INCREASE IN BASIC PAY W.E.F JULY 01, 2022						
BASIC PAY SCALES OF THE CIVIL SERVANTS						
	Basic Pay Scales-2017		Basic Pay Scales-2022		% Increase in	% Increase in
BPS	Min Limit of Pay Scale	Max Limit of Pay Scale	Min Limit of Pay Scale	Max Limit of Pay Scale	Min Limit of Pay Scale	Max Limit of Pay Scale
1	9,130	17,830	13,550	26,450	48%	48%
2	9,310	19,210	13,820	28,520	48%	48%
3	9,610	21,310	14,260	31,660	48%	49%
4	9,900	23,100	14,690	34,490	48%	49%
5	10,260	25,260	15,230	37,730	48%	49%
6	10,620	27,420	15,760	40,960	48%	49%
7	10,990	29,290	16,310	43,610	48%	49%
8	11,380	31,480	16,890	46,890	48%	49%
9	11,770	33,670	17,470	50,170	48%	49%
10	12,160	36,160	18,050	53,750	48%	49%
11	12,570	38,970	18,650	57,950	48%	49%
12	13,320	42,120	19,770	62,670	48%	49%
13	14,260	45,760	21,160	67,960	48%	49%
14	15,180	50,280	22,530	74,730	48%	49%
15	16,120	56,020	23,920	83,320	48%	49%
16	18,910	64,510	28,070	95,870	48%	49%
17	30,370	76,370	45,070	113,470	48%	49%
18	38,350	95,750	56,880	142,080	48%	48%
19	59,210	120,210	87,840	178,440	48%	48%
20	69,090	132,230	102,470	196,130	48%	48%
21	76,720	146,720	113,790	217,670	48%	48%
22	82,380	164,560	122,190	244,130	48%	48%
AVERAGE INCREASE IN BASIC PAY					48%	49%
OVERALL INCREASE IN BASIC PAY ON AVERAGE					48%	

Note: Above analysis is based on Finance Division notification no.283 dated July 01, 2022.



GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(Regulations Wing)

F.No.1(2)Imp/2022-283

Islamabad, the 1st July, 2022

OFFICE MEMORANDUM

Subject: REVISION OF BASIC PAY SCALES & ALLOWANCES OF
CIVIL SERVANTS OF THE FEDERAL GOVERNMENT (2022)

The President has been pleased to sanction the revision of Basic Pay Scales & Allowances with effect from 1st July, 2022 for the civil employees of the Federal Government, paid out of civil estimates and from the Defence estimates as detailed in the following paragraphs:

Part-I (Pay)

2. Revision of Basic Pay Scales:

The Basic Pay Scales-2022 shall replace the Basic Pay Scales-2017 with effect from 01-07-2022 as contained in the **Annexure-I** to this Office Memorandum.

3. Fixation of Pay of the existing employees:

- i) The basic pay of an employee in service on 30-06-2022 shall be fixed in the Basic Pay Scales-2022 on point to point basis i.e. at the stage corresponding to that occupied by him/her above the minimum of Basic Pay Scales-2017;
- ii) In case of Personal Pay being drawn by an employee as part of his/her basic pay beyond the maximum of his/her pay scale on 30-06-2022, he/she shall continue to draw such pay in the Basic Pay Scales-2022 at the revised rates.

4. Fixation of Pay on promotion:

In cases of promotion from a lower to higher posts/scale before introduction of these scales, the pay of the employees concerned in the revised pay scale may be fixed and so enhanced that it would not be less than the pay that would have been admissible to him if his promotion to the higher post/scale had taken place after the introduction of these scales.

5. Annual increment:

Annual increment shall continue to be admissible, subject to the existing conditions, on 1st December each year.

(Cont'd.....P/2)

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Part-II (Allowances)

6. Ad-hoc Allowances:

Upon introduction of BPS-2022 the following Ad-hoc Relief Allowances granted w.e.f. 01-07-2016, 01-07-2017, 01-07-2018, 01-07-2019 and 01-07-2021 shall cease to exist with effect from 01-07-2022:

S. No.	Name of Ad-hoc Relief Allowance	Office Memorandum and Date	Admissible Rates
i	Ad-hoc Relief Allowance-2016 (01-07-2016)	Para-8 of F.1(2)Imp/2016-333, dated 01-07-2016.	10% of the basic pay on BPS-2016.
ii	Ad-hoc Relief Allowance-2017 (01-07-2017)	Para-8 of F.1(3)Imp/2017-500, dated 03-07-2017.	10% of the basic pay on BPS-2017.
iii	Ad-hoc Relief Allowance-2018 (01-07-2018)	F.1(2)Imp/2018-370, dated 02-07-2018.	10% of the basic pay on BPS-2017.
iv	Ad-hoc Relief Allowance-2019 (01-07-2019)	F.1(2)Imp/2019-700, dated 05-07-2019.	10% of the basic pay on BPS-2017 (BPS. 1-16) and 5% of the basic pay on BPS-2017 (BPS. 17-20).
v	Ad-hoc Relief Allowance-2021 (01-07-2021)	F.1(1)Imp/2021-216, dated 08-07-2021.	10% of the basic pay on BPS-2017.

7. Ad-hoc Relief Allowance-2022:

- An Ad-hoc Relief Allowance-2022 @ 15% of the running basic pay of BPS-2017 shall be allowed to the civil employees of the Federal Government as well as civilians paid out of Defence estimates including contingent paid staff and contract employees employed against civil posts in Basic Pay Scales on standard terms and conditions of contract appointment with effect from 01-07-2022 and shall stand frozen at the same level till further orders;
- All the new entrants shall be allowed Ad-hoc Relief Allowance-2022 @ 15% of the Minimum of the relevant basic pay of BPS-2017 on notional basis with effect from 01-07-2022 till further orders and shall stand frozen at the same level;
- The Ad-hoc Relief Allowance will be subject to Income Tax;
- The Ad-hoc Relief Allowance will be admissible during leave and entire period of L.P.R. except during extra ordinary leave;
- The Ad-hoc Relief Allowance will not be treated as part of emoluments for the purpose of calculation of Pension/Gratuity and recovery of House Rent;
- The Ad-hoc Relief Allowance will not be admissible to the employees during the tenure of their posting/deputation abroad;
- The Ad-hoc Relief Allowance will be admissible to the employees on their repatriation from posting/deputation abroad at the rate and amount which would have been admissible to them, had they not been posted abroad;

(Cont'd.....P/3)

- h) The Ad-hoc Relief Allowance will be admissible during the period of suspension;
- i) The term "Basic Pay" will also include the amount of Personal Pay granted on account of annual increment(s) beyond the maximum of the existing pay scales.

8. Special Pay and Allowances:

All the Special Pays, Special Allowances or the Allowances admissible as percentage of pay (excluding those which are capped by fixing maximum limit) including House Rent Allowance and the Allowance/Special Allowance equal to one month basic pay, granted to Federal Government employees irrespective of his/her posting in Ministry/Division/Department/Office etc. including civil employees in BPS 1-22 of Judiciary shall stand frozen at the level of its admissibility as on 30-06-2022.

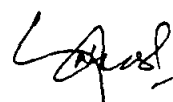
9. Option:

- (1) The Ministry/Division/Department/Office to which an employee belongs and/or on whose pay roll he/she is borne shall obtain an option in writing from such employees within 30 days commencing from the date of issue of this Office Memorandum and communicate it to the concerned Accounts Office/DDO, as the case may be, either to continue to draw salary in the Scheme of Basic Pay Scales-2017 or in the Scheme of Basic Pay Scales-2022 as specified in this Office Memorandum. Option once exercised shall be considered final;
- (2) An existing employee, as aforesaid, who does not exercise and communicate his/her option within the specified time limit, shall be deemed to have opted for the Scheme of Basic Pay Scales-2022.

10. All the existing rules/orders on the subject shall be considered to have been modified to the extent indicated above. All the existing rules/orders, not so modified, shall continue to be in force under this scheme.

11. Anomalies:

An Anomaly Committee shall be set up in the Finance Division (Regulations Wing) to resolve the anomalies, if any, arising out in the implementation of the Basic Pay Scales-2022.


(Faisal Nadeem)
Section Officer (Imp)

ALL MINISTRIES/DIVISIONS/DEPARTMENTS

Web Administrator, Finance Division, Islamabad (for uploading at Finance Division's website i.e. www.finance.gov.pk)

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BASIC PAY SCALES OF THE CIVIL SERVANTS							
Basic Pay scales-2017				Stages	Basic Pay scales-2022		
BPS	MIN	INCR	MAX		MIN	INCR	MAX
1	9,130	290	17,830	30	13,550	430	26,450
2	9,310	330	19,210	30	13,820	490	28,520
3	9,610	390	21,310	30	14,260	580	31,660
4	9,900	440	23,100	30	14,690	660	34,490
5	10,260	500	25,260	30	15,230	750	37,730
6	10,620	560	27,420	30	15,760	840	40,960
7	10,990	610	29,290	30	16,310	910	43,610
8	11,380	670	31,480	30	16,890	1,000	46,890
9	11,770	730	33,670	30	17,470	1,090	50,170
10	12,160	800	36,160	30	18,050	1,190	53,750
11	12,570	880	38,970	30	18,650	1,310	57,950
12	13,320	960	42,120	30	19,770	1,430	62,670
13	14,260	1,050	45,760	30	21,160	1,560	67,960
14	15,180	1,170	50,280	30	22,530	1,740	74,730
15	16,120	1,330	56,020	30	23,920	1,980	83,320
16	18,910	1,520	64,510	30	28,070	2,260	95,870
17	30,370	2,300	76,370	20	45,070	3,420	113,470
18	38,350	2,870	95,750	20	56,880	4,260	142,080
19	59,210	3,050	120,210	20	87,840	4,530	178,440
20	69,090	4,510	132,230	14	102,470	6,690	196,130
21	76,720	5,000	146,720	14	113,790	7,420	217,670
22	82,380	5,870	164,560	14	122,190	8,710	244,130



PESHAWAR ELECTRIC SUPPLY COMPANY

Tel: 091-9212335

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Fax: 091-9212335

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

Annex-D

No. 11 /FD/PESCO/CP&C

Dated 15 / 12 / 2022

Additional Director,
Registrar Office, NEPRA,
Islamabad.

Subject: **DISCUSSION MEETING REGARDING ADJUSTMENT OF EMPLOYEES OF CLOSED/RETIRED GENCOs IN DISCOs AND WAPDA.**

Reference: Your office letter No. NEPRA/ADG(Trf)/TRF-100/22171-82 dated 17-11-2022.

In this regard, it is apprised that the instant matter was placed before the Authority during PESCO MYT Review Motion hearing held at NEPRA HQ, Islamabad on September 14th, 2022, moreover, PESCO has also highlighted the subject matter before the Authority during the discussion meeting, convened vide NEPRA letter No. NEPRA/ADG(Trf)/TRF-100/20135-53 dated 19-10-2022, held on October 25th 2022, in which on PESCO request, it was principally agreed to allow the same to PESCO in its Review Motion Decision.

It is pertinent to mention here that the Economic Co-ordination Committee has approved the Case No. ECC-347/32/2021 dated September 23rd, 2021 for adjustment of Pensioners of GENCOs w.r.t Power Plants under closure w.e.f October 10, 2021 whereby according to Para-6 of the proposal, Pension of these employees will be paid by the relevant (Pension Disbursing) DISCOs and adjustment of the same shall be claimed from NEPRA in their Tariff. The annual financial implication of these employees for PESCO is Rs. 13.3 million, approximately (detail is enclosed as Annexure-A).

Similarly, NTDC has forwarded 56 Nos. PPO files pertaining to EX- GSC retired employees of the formations transferred to PESCO in view of the Tariff Determination of FY 2014-15 for XWDISCOs by the Authority. Although, PESCO has repeatedly requested NTDC to take up the matter with NEPRA for a policy decision in this regard, however NTDC is referring the decision of WAPDA with reference to XWDISCOs pensioners and not accepting the said claims w.e.f. July-2014 resulting in cash flow problems for PESCO with outstanding arrears of Rs. 131.683 million upto June 2022 and the same are accumulating on monthly basis with annual financial implication of around Rs. 14.6 million approx. (detail is enclosed as Annexure-B).

It is pertinent to highlight that the Authority has already determined PESCO tariff under MYT regime for the period FY 2020-21 to 2024-25, accordingly, the directions issued vide above referred letter to submit the case in next tariff petition, will not only delay the process abnormally but will create financial hardships for PESCO considering the fact that PESCO has no other source except tariff to recover / pay the said cost. It is therefore requested to consider PESCO submission made in its MYT Review Petition hearing and the recovery of cost of Rs. 27.9 million per annum may be allowed alongwith the adjustment mechanism for timely recovery of the cost in accordance with National Electricity Policy 2021 (para 4.4.1 of the policy).

In view of the foregoing, the Authority is requested to allow the said costs of pension amounting Rs. 27.9 million per annum in the MYT tariff determination for FY 2020-21 to 2024-25 of PESCO in the best interest of the aggrieved Pensioners alongwith the determination of the time period from which these costs are to be allowed specifically for NTDC pensioners, please.

CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Cc to:

1. Managing Director PPMC, Evacuee Trust Complex, Agha Khan road, Islamabad.
2. Chief Financial Officer PPMC, Evacuee Trust Complex, Agha Khan road, Islamabad.

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FINANCIAL IMPLICATION OF GENCO PENSIONER'S

Sr. No	Transfer From	No Of Pensioners	Monthly (PKR)	Annual (Rs. In Mln)
1	GENCO-I	10	99,681	2.396
2	GENCO-II	14	315,266	3.783
3	GENCO-III	14	403,222	4.839
4	GENCO-IV	11	192,148	2.306
5	Total	49	1,110,317	13.324

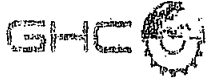
- ❖ Economic Co-Ordination Committee in Case No. ECC-347/32/2021 dated 23.09.2021, has approved adjustment of Pensioners of GENCO's w.r.t Power Plants under closure w.e.f **October 01, 2021**.
- ❖ As per para no. 6 of decision ***"Pensions of these employees will be paid by the relevant DISCOs on their retirement according to the rules of DISCOs. In turn the relevant DISCOs and WAPDA would claim adjustment of the same from NEPRA in their Tariff"***.

FINANCIAL IMPLICATION OF NTDC PENSIONER'S

Company	Year	No Of Pensioners	Annual (Rs. In Mln)
NTDC Pensioners	2014-15 & 2021-22	56	116.656
	2022-23		14.582
	Total		131.237

- ❖ NTDC has forwarded 56 Nos. PPO files pertaining to Ex-GSC retired employees of the formations transferred to PESCO on the grounds that the assets and liabilities of PD (GSC) Peshawar (132 KV Grid System Construction) have been transferred to PESCO and that the said employees have served in the formation which is currently part of PESCO
- ❖ Rs. 132 million is outstanding since July, 2014 from NTDC.

(Annex - A)



GENCO HOLDING CO. LTD.

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Islamabad.

Phone : (051) 9217601
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No. GHCL/HR&Admin/182/7123-25

26.11.2021

Chief Executive Officer
Peshawar Electric Supply Company (PESCO)
166-WAPDA House, Shami Road
Peshawar

Subject: ADJUSTMENT OF PENSIONERS OF GENCOs' UNDER CLOSURE
POWER PLANTS IN DISCOs & WAPDA

Economic Coordination Committee (ECC) in case No.ECC-347/32/2021 dated 23.09.2021, communicated by Power Division vide No. GPI-G(Misc) 2021 dated 30.09.2021 (Annex-A) has approved adjustment of pensioners of GENCOs Power Plants under closure, as per detail contained in Para-6 of the summary presented by Power Division, reproduced below:

"It is proposed that 2368 pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA as per detail attached at (Annex-IV). Similarly, 1753 employees of these plants would be adjusted in DISCOs (details at Annex-V). Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their respective tariffs."

Presently, 49 Nos. of GENCOs employees are getting pension from PESCO. GENCOs wise detail, of each pensioner having his/her name, designation, PPO No., kind of pension and pension disbursing unit of PESCO is attached (Annex-B). In case any further information is required, kindly let us know.

Foregoing in view, pension liability of above discussed 49 pensioners is hereby shifted to PESCO.

MUHAMMAD IMRAN 26/11/2021
Managing Director & CEO

C.C.

1. Joint Secretary (Transmission), Ministry of Energy (Power Division), Islamabad.
2. M/File.

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GENCOs PENSIONERS DRAWING PENSION FROM PESCO

Sr. #	Name of Company	No. of Pensioners
1	JPCL (GENCO-I) Jamshoro	10
2	CPGCL (GENCO-II) Guddu	14
3	NPGCL (GENCO-III) Muzaffargarh	14
4	LPCL (GENCO-IV) Lakhra	11
Total:		49

Chief Financial Officer (NTDC)

Dated 30-8-22

Subject	<u>PAYMENT OF PENSION ON ACCOUNT OF RECEIVABLES</u> <u>AMOUNTING TO RS. 536.941 MILLION UPTO 30TH JUNE 2022 AND</u> <u>ADJUSTMENTS OF 56 NO. PENSIONERS</u>
---------	--

It is pertinent to mention here that NEPRA, PEPCO Ministry of Water & Power has already approved in their executive orders and decisions as given below:

On the basis of natural principles of justice that unbundling liability of the retired employees would have been transferred to the XWDISCO's as the referred retired employees have served in the formations that are currently part of XWDISCO's.

In view thereof the Authority decided dated October 08, 2015 in the tariff determination of NWDISCOs is as follows:

"all cost of XWAPDA retired employees upto 30th June,2014 would be paid by WAPDA. However, any payment in this regard after 30-06-2014 would be paid by XWAPDA DISCOs, GENCOs and NTDC, WAPDA and EX-WAPDA DISCOs, GENCOs and NTDC are directed to submit their next tariff petitions accordingly".

In pursuance of said above decision of NEPRA, the Ministry of Water & Power issued an executive order vide letter dated 08-12-2015 in which advising the EXWAPDA entities including DISCOs to collect/ received pension files of retired employees from WAPDA Pension Directorate and file tariff petition to NEPRA by incorporating the financial impact on the company.

(Page 1 of 2)

10026
28/10/22

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Chief Financial Officer (NTDC)

NTDC/CFO/Pension Cell

Dated


Furthermore, findings of Wafaqi Mohtashib (OMBUSDMAN)'s Secretariat is also in line with the NEPRA decision is as under:

Wafaqi Mohtashib (OMBUSDMAN)'s Secretariat Clouser Findings Peshawar at para No. 05 clearly states that *"However, files pending of 51 pensioners with NTDC should be taken over by PESCO on the same analogy as the others DISCOs have taken over pensioners files of NTDC and PESCO should shoulder the responsibility of the pensioners as other DISCOs do so"*. (Copy attached).

Keeping in view the above facts, it is the prime responsibility of PESCO to file petition in NEPRA for permission of cost of 56 numbers pensioners in tariff.

According to the record of PESCO Pension Cell the outstanding amount Rs. 536.941 Millions is payable to PESCO which is unjustified. Whereas Rs. 337 Millions is unreconciled balance which pertains to 56 number of pensioners relates to those project directorates transferred en-bloc to DISCOs as per PEPCO Executive order dated 29-12-2006 and NEPRA decisions dated 08-10-2015 & 11-04-2017.

With respect to monthly claim nothing is outstand except September 2022 claim which will be paid in next month. Therefore, PESCO stance to stop payment of NTDC pensioners is not appreciated because it is very sensitive issue attached with the service rights of retired employees.


Manager Pension
NTDC

LA
CS

Comparison for POL Prices during FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23

2019-20	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	112.68	117.83	113.24	113.24	114.24	113.99	116.6	116.6	111.59	96.58	81.58	74.52	106.89	
Hi-Cetane Diesel Euro 5	126.82	132.47	127.14	127.14	127.14	125.01	127.26	127.26	122.25	107.25	80.1	80.15	117.50	
Monthly Increase in Petrol	0%	5%	-4%	0%	1%	0%	2%	0%	-4%	-13%	-16%	-9%		
Monthly Increase in Diesel	0%	4%	-4%	0%	0%	-2%	2%	0%	-4%	-12%	-25%	0%		

2020-21	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	100.11	103.97	103.97	103.97	100.69	103.69	109.2	111.9	111.9	108.56	108.56	110.69	106.43	-0.43%
Hi-Cetane Diesel Euro 5	101.46	106.46	106.46	104.06	101.43	108.44	113.19	116.08	116.08	110.76	110.76	112.55	108.98	-7.25%
Monthly Increase in Petrol	34%	4%	0%	0%	-3%	3%	5%	2%	0%	-3%	0%	2%		
Monthly Increase in Diesel	27%	5%	0%	-2%	-3%	7%	4%	3%	0%	-5%	0%	2%		

2021-22	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	118.09	119.8	123.3	137.79	145.82	140.82	147.83	159.86	149.86	149.86	179.86	233.89	150.57	41.46%
Hi-Cetane Diesel Euro 5	116.53	116.53	120.04	134.48	142.62	137.62	144.62	154.15	144.15	144.15	174.15	263.31	149.36	37.06%
Monthly Increase in Petrol	7%	1%	3%	12%	6%	-3%	5%	8%	-6%	0%	20%	30%		
Monthly Increase in Diesel	4%	0%	3%	12%	6%	-4%	5%	7%	-6%	0%	21%	51%		

2022-23	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	230.24	233.91	237.43	224.8	224.8	214.8	249.8	272					235.97	56.72%
Hi-Cetane Diesel Euro 5	236	244.44	247.43	235.3	235.3	227.8	262.8	280					246.13	64.79%
Monthly Increase in Petrol	-2%	2%	2%	-5%	0%	-4%	16%	9%						
Monthly Increase in Diesel	-10%	4%	1%	-5%	0%	-3%	15%	7%						

Data prepared from Pol Archives @ <https://psopk.com/en/product-and-services/product-prices/pol/pol-archives>

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RORB CALCULATION	Note	2019-20	2020-21	2021-22	2022-23	2023-24
		Actual	Actual	Actual	Prov.	Index/Adj.
Fixed Assets O/B		83,299	87,395	94,444	107,485	116,201
Addition		4,096	7,049	13,041	8,716	10,249
Fixed Assets C/B		87,395	94,444	107,485	116,201	126,450
Accumulated Depreciation		(32,191)	(35,431)	(39,112)	(43,137)	(47,513)
Net Fixed Assets		55,204	59,013	68,373	73,064	78,938
Capital WIP C/B		19,756	26,649	33,544	46,800	55,029
Capital WIP C/B-Deposit Portion		(7,585)	(8,273)	(14,643)	(14,643)	(14,643)
Fixed Assets Inc. WIP		67,375	77,389	87,274	105,221	119,324
Deferred Credits		(32,775)	(35,052)	(39,222)	(39,822)	(41,671)
Net Assets		34,600	42,337	48,052	65,399	77,653
RAB		37,605	38,469	45,195	56,725	71,526
WACC	N-1	15.02%	10.76%	12.03%	17.07%	17.07%
RORB		5,647	4,138	5,437	9,685	12,212

Working Notes

(N-1) WACC CALCULATION	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Structure					
Debt Ratio	70%	70%	70%	70%	
Equity Ratio	30%	30%	30%	30%	
WACC Determined	15.02%	10.66%	10.93%	10.93%	
KIBOR-3 Month					
July		7.03%	7.45%	15.32%	
Date		03-Jul-2020	02-Jul-2021	04-Jul-2022	
January		7.30%	10.52%	17.06%	
Date		04-Jan-2021	01-Jan-2022	01-Jan-2023	
Cost of Equity		14.47%	14.47%	14.47%	
Cost of Debt- Biannually*		9.17%	10.99%	18.19%	
WACC Recalculated/Proj.	15.02%	10.76%	12.03%	17.07%	17.07%

Note: As per Tariff Determination Cost of Debt has been computed biannually.

CALCULATION OF PRIOR YEAR ADJUSTMENTS

Rs. Mln

Description	PESCO
2nd & 3rd Qtr. FY 2019-20	
Allowed Amount	29,187
Qtr. Rs./kWh	3.1516
Recovered	37,836
Under/(Over) Recovery	(8,649)
4th Qtr. FY 2019-20	
Allowed Amount	10,826
Qtr. Rs./kWh	1.1690
Recovered	14,894
Under/(Over) Recovery	(4,068)
1st & 2nd Qtr. FY 2020-21	
Allowed Amount	14,986
Qtr. Rs./kWh	1.2853
Recovered	16,376
Under/(Over) Recovery	(1,390)
3rd Qtr. FY 2020-21	
Allowed Amount	2,343
Qtr. Rs./kWh	0.2010
Recovered	2,561
Under/(Over) Recovery	(218)
4th Qtr. FY 2020-21	
Allowed Amount	(2,222)
Qtr. Rs./kWh	(0.8573)
Recovered	(2,392)
Under/(Over) Recovery	170
1st Qtr. FY 2021-22	
Allowed Amount	2,612
Qtr. Rs./kWh	0.8956
Recovered	3,434
Under/(Over) Recovery	(822)
2nd Qtr. FY 2021-22	
Allowed Amount	1,457
Qtr. Rs./kWh	0.4995
Recovered	1,916
Under/(Over) Recovery	(459)
3rd Qtr. FY 2021-22	
Allowed Amount	2,616
Qtr. Rs./kWh	0.8970
Recovered	2,579
Under/(Over) Recovery	37
4th Qtr. FY 2021-22	
Allowed Amount	12,244
Qtr. Rs./kWh	3.4100
Recovered	12,128
Under/(Over) Recovery	116

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CALCULATION OF PRIOR YEAR ADJUSTMENTS

Rs. Min

Description	PESCO
Distribution Margin FY 2021-22	
Allowed	24,685
Recovered	25,967
Under/(Over) Recovery	(1,282)
Other Income FY 2020-21	
Allowed	3,467
Recovered	3,910
Under/(Over) Recovery	(443)
Other Income FY 2021-22	
Allowed	4,180
Recovered	4,400
Under/(Over) Recovery	(220)
Sales Mix Variances	
FY 2020-21	4,809
FY 2021-22	(3,959)
	850
MLR FY 2020-21 to FY 2022-23	
RORB	
<i>Review Decision</i>	
RORB 2020-21	1,547
RORB 2021-22	2,216
RORB 2022-23	3,019
Post Retirement 2020-21	1,098
Post Retirement 2021-22	1,208
Post Retirement 2022-23	1,311
Other O&M 2020-21	107
Other O&M 2021-22	121
Other O&M 2022-23	132
Sub-total: As per Review Decision	10,759
Genco Pensioners	
2021-22	10
2022-23	13.32
Sub-total	23
NTDC Pensioners	
2014-15 & 2021-22	117
2022-23	14.58
Sub-total	131
Tax Payments (Arrears of FY 2019-20)	470
Tax Payments (FY 2020-21)	2,228
Tax Payments (FY 2021-22)	2,265
Tax Payments (FY 2022-23 upto Dec-22)	1,125
Under/(Over) Recovery	17,002
Pending Adjustments	
RORB 2019-20	855
RORB 2020-21 (Remaining Balance)	(82)
RORB 2021-22 (Remaining Balance)	(185)
RORB 2022-23 (Remaining Balance)	2,172
Pay & Allowances 2022-23	701
Repair & Maintenance-Transformer Repair Policy	67
Other O&M	
- Bill Collection Charges	36
- Office Rent	31
- Supplier Licence Fee- FY 2021-22	23
- Supplier Licence Fee- FY 2022-23	28
Under/(Over) Recovery	3,646

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CALCULATION OF PRIOR YEAR ADJUSTMENTS

Rs. Mln

Description	PESCO
PYA of FY 2020-21	
Allowed	(20,393)
Recovered	(22,874)
Under/(Over) Recovery	<u>2,481</u>
Uniform Seasonal Pricing Structure Subsidy (USPS)	
FY 2019-20	708
	<u>708</u>
Impact of positive FCA regarding Lifeline Consumers	
FY 2017-18	54
FY 2018-19	202
FY 2019-20	506
FY 2020-21	261
	<u>1,023</u>
Impact of Incremental Units of ISP and WIP	
FY 2020-21 (ISP)	1,414
FY 2021-22 (Winter Incentive Package)	450
	<u>1,864</u>
Depreciation- FY 2020-21	
Allowed	3,207
Actual/Audited	3,296
Under/(Over) Recovery	<u>89</u>
Depreciation- FY 2021-22	
Allowed	3,452
Actual/Audited	3,709
Under/(Over) Recovery	<u>257</u>
Interim DM adjusted back in Tariff Determination of FY 2018-19 & 2019-20	<u>(3,817)</u>
Interim DM- FY 2018-19 adjusted in MYT Determination FY 2020-21 to 2024-25	
Allowed	3,817
Recovered	(4,181)
	<u>(364)</u>
Reversal of Interim DM 2018-19, Adjusted Back in Tariff Determination of FY 2018-19 & 2019-20 (Because of Double Adjustment)	<u>3,817</u>
Impact of FCA not passed on the consumers during Nov-19 to Jun-20	<u>2,436</u>
Total Prior Period Adjustment	<u>16,946</u>

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SALES MIX FOR FY 2020-21 (Net of Incremental Units)

Sr. No	Particular		Actual Units (MKwh)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Units (MKwh)	Sales Mix (Mln. Rs.)
				SRO No.09 Dated 01-01-2019	SRO No.09 Dated 12-02-2021		
RESIDENTIAL - A1							
1	UPTO-50	Units/month	34	4.81%	0.59%	329	(1,180)
2	1--100	Units	1,773	17.68%	9.61%	1,415	4,972
3	101--200	Units	1,392	12.74%	13.70%	1,208	3,183
4	201--300	Units	1,202	9.41%	9.88%	886	5,684
5	301--700	Units	652	5.45%	12.92%	714	(1,074)
6	ABOVE 700	Units	138	1.79%	4.44%	240	(2,110)
7	A-1b (03) T	Peak	33	0.58%	0.41%	49	(334)
8	A-1b (03) T	Off-Peak	150	2.44%	1.66%	205	(707)
9	Temp. domestic E-1 i (55)		0	0.00%	0.00%	0	2
TOTAL DOMESTIC			5,373	54.90%	53.21%	5,045	8,436
COMMERCIAL - A2							
10	Commercial Tariff (04)		322	3.19%	3.20%	296	530
11	A-2b (05)		0	0.02%	0.00%	1	(19)
12	A-2c(06)T	Peak	86	1.06%	1.10%	99	(280)
13	A-2c (06) T	Off-Peak	391	4.48%	4.39%	413	(328)
14	Temp. coml E-1ii (56)		2	0.02%	0.03%	2	(6)
TOTAL COMMERCIAL			802	8.77%	8.73%	812	(102)
INDUSTRIAL							
15	B-1 (07)		5	0.00%	0.00%	-	88
16	B-1 (08)		0	0.22%	0.08%	17	(296)
17	B-1b(09) T	Peak	6	0.36%	0.18%	28	(455)
18	B-1b(09) T	Off-Peak	55	1.85%	0.83%	143	(1,309)
19	B-2a(10)		1	0.04%	0.01%	3	(34)
20	B-2b(12) T	Peak	78	0.91%	1.26%	94	(325)
21	B-2b(12) T	Off-Peak	585	6.05%	5.82%	555	454
22	B-3(14) T	Peak	75	0.87%	1.54%	99	(475)
23	B-3(14) T	Off-Peak	613	8.55%	7.85%	774	(2,320)
24	B-4(17) T	Peak	59	0.77%	1.44%	90	(630)
25	B-4(17) T	Off-Peak	465	5.66%	6.81%	557	(1,326)
26	E-2(58) Temp		0	0.00%	0.00%	-	4
TOTAL INDUSTRIAL			1,942	25.28%	25.82%	2,360	(6,624)
BULK SUPPLY							
27	C-1a (19)		0	0.00%	0.00%	-	4
28	C-1b (25)		16	0.26%	0.20%	6	182
29	C-1c (26) T	Peak	9	0.14%	0.13%	20	(239)
30	C-1c (26) T	Off-Peak	44	0.66%	0.57%	25	327
31	C-2a (28)		12	0.14%	0.05%	44	(513)
32	C-2b (29) T	Peak	29	0.37%	0.39%	20	203
33	C-2b (29) T	Off-Peak	138	1.67%	1.60%	69	1,032
34	C-3a(37)	Off-Peak	0	0.00%	0.03%	109	(539)
35	C-3b (38) T	Peak	2	0.03%	0.00%	2	10
36	C-3b (38) T	Off-Peak	12	0.18%	0.15%	16	(48)
TOTAL BULK SUPPLY			263	3.45%	3.13%	311	419
AGRICULTURAL T/WELLS - TARIFF - D							
37	D-1A (41,42,43,44,46)		0	0.03%	0.03%	3	(36)
38	D-2A (47,48,49,52)	(NOR)	6	0.21%	0.16%	18	(172)
39	D-2A (47,48,49,52)	(SUB)	10	0.00%	0.00%	-	139
40	D-1b (45) T	Peak	0	0.01%	0.01%	1	(12)
41	D-1b (45) T	Off-Peak	2	0.06%	0.04%	5	(45)
42	D-2b (50, 51,53,54) T	Peak (NOR)	6	0.12%	0.09%	10	(80)
43	D-2b (50, 51,53,54) T	Off-Peak (NOR)	30	0.56%	0.41%	48	(250)
44	D-2b (50, 51,53,54) T	Peak (SUB)	4	0.00%	0.00%	-	74
45	D-2b (50, 51,53,54) T	Off-Peak (SUB)	21	0.00%	0.00%	-	289
TOTAL AGRICULTURAL T/WELL			79	0.99%	0.74%	85	(93)
46	Public Light PVT G (72,73)		13	0.16%	0.14%	14	(20)
47	Residential Colonies H (76,79)		1	0.03%	0.02%	3	(20)
48	AJK Tariff K-1 (35)		-	0.01%	0.03%	1	(13)
49	AJK Tariff K-1 (36) T	Peak	75	0.55%	0.84%	59	328
50	AJK Tariff K-1 (36) T	Off Peak	304	2.86%	3.36%	279	367
Total AJK			393	3.61%	4.39%	357	642
GENERAL SERVICES - A3							
51	A-3A (66)		425	3.00%	3.98%	306	2,131
Company Total			9,275	100%	100%	9,275	4,809

S9-A

SALES MIX FOR FY 2021-22 (Net of Incremental & WIP)

Sr. No	Particular		Actual Units (MKwh)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Units (MKwh)	Sales Mix (Mln. Rs.)
				SRO No.190 Dated 12-02-2021	SRO No.1424 Dated 05-11-2021		
RESIDENTIAL - A1							
1	UPTO-50	Units/Month	37	0.59%	0.59%	57	(77)
2	1--100	Units	1,836	9.61%	9.61%	921	13,301
3	101--200	Units	1,540	13.70%	13.70%	1,313	4,090
4	201--300	Units	1,197	9.88%	9.88%	947	4,524
5	301--700	Units	695	12.92%	12.92%	1,238	(10,615)
6	ABOVE 700	Units	120	4.44%	4.44%	426	(6,461)
7	A-1b (03) T	Units	33	0.41%	0.41%	39	(132)
8	A-1b (03) T	Units	154	1.66%	1.66%	159	(69)
15	Temp. domestic E-1 i (55)	Units	0	0.00%	0.00%	0	3
TOTAL DOMESTIC			5,614	53.21%	53.21%	5,100	4,563
COMMERCIAL - A2							
10	Commercial Tariff (04)		337	3.20%	3.20%	307	634
11	A-2b (05)		0	0.00%	0.00%	-	1
12	A-2c(06)T	Peak	87	1.10%	1.10%	105	(403)
13	A-2c (06) T	Off-Peak	403	4.39%	4.39%	421	(271)
14	Temp. coml E-1ii (56)		3	0.03%	0.03%	3	(16)
TOTAL COMMERCIAL			829	8.73%	8.73%	836	(53)
INDUSTRIAL							
15	B-1 (07)		5	0.08%	0.08%	5	(12)
16	B-1 (08)		0	0.00%	0.00%	2	(42)
17	B-1b(09) T	Peak	6	0.18%	0.18%	17	(220)
18	B-1b(09) T	Off-Peak	48	0.83%	0.83%	79	(469)
19	B-2a(10)		0	0.01%	0.01%	1	(9)
20	B-2b(12) T	Peak	78	1.26%	1.26%	122	(882)
21	B-2b(12) T	Off-Peak	526	5.82%	5.82%	557	(476)
22	B-3(14) T	Peak	99	1.54%	1.54%	148	(970)
23	B-3(14) T	Off-Peak	611	7.85%	7.85%	752	(2,021)
24	B-4(17) T	Peak	81	1.44%	1.44%	138	(1,157)
25	B-4(17) T	Off-Peak	447	6.81%	6.81%	653	(3,050)
26	E-2(58) Temp		1	0.00%	0.00%	-	18
TOTAL INDUSTRIAL			1,903	25.82%	25.82%	2,475	(9,290)
BULK SUPPLY							
27	C-1a (19)		0	0.00%	0.00%	-	2
28	C-1b (25)		14	0.20%	0.20%	19	(90)
29	C-1c (26) T	Peak	10	0.13%	0.13%	13	(51)
30	C-1c (26) T	Off-Peak	50	0.57%	0.57%	55	(80)
31	C-2a (28)		9	0.05%	0.05%	5	67
32	C-2b (29) T	Peak	33	0.39%	0.39%	37	(102)
33	C-2b (29) T	Off-Peak	154	1.60%	1.60%	153	0
34	C-3a(37)	Off-Peak	0	0.03%	0.03%	3	(43)
35	C-3b (38) T	Peak	3	0.00%	0.00%	10	(140)
36	C-3b (38) T	Off-Peak	13	0.15%	0.15%	5	129
TOTAL BULK SUPPLY			288	3.13%	3.13%	300	(309)
AGRICULTURAL T/WELLS - TARIFF - D							
37	D-1A (41,42,43,44,46)		0	0.03%	0.03%	3	(37)
38	D-2A (47,48,49,52)	(NOR)	15	0.16%	0.16%	15	1
39	D-2A (47,48,49,52)	(SUB)	-	0.00%	0.00%	-	-
40	D-1b (45) T	Peak	0	0.01%	0.01%	1	(13)
41	D-1b (45) T	Off-Peak	2	0.04%	0.04%	4	(30)
42	D-2b (50, 51,53,54) T	Peak (NOR)	9	0.09%	0.09%	8	18
43	D-2b (50, 51,53,54) T	Off-Peak (NOR)	46	0.41%	0.41%	39	101
44	D-2b (50, 51,53,54) T	Peak (SUB)	1	0.00%	0.00%	-	14
45	D-2b (50, 51,53,54) T	Off-Peak (SUB)	4	0.00%	0.00%	-	47
TOTAL AGRICULTURAL T/WELL			77	0.74%	0.74%	70	101
46	Public Light PVT G (72,73)		12	0.14%	0.14%	14	(22)
47	Residential Colonies H (76,79)		1	0.02%	0.02%	2	(9)
48	AJK Tariff K-1 (35)		2	0.03%	0.03%	3	(18)
49	AJK Tariff K-1 (36) T	Peak	80	0.84%	0.84%	81	(2)
50	AJK Tariff K-1 (36) T	Off Peak	328	3.36%	3.36%	322	75
Total AJK			424	4.39%	4.39%	421	25
GENERAL SERVICES - A3							
51	A-3A (66)		449	3.98%	3.98%	381	1,004
Company Total			9,584	100%	100%	9,584	(3,959)

S9-B

TAX RECONCILIATION STATEMENT

FOR FY 2019-20

SR. NO.	DESCRIPTION	AMOUNT (PKR)
1	Tax Assessed for the period	2,045,574,894
PAYMENT DETAILS		
ADVANCE TAX		
1	IT-20190930-0386-1451846	292,676,000
2	IT-20190930-0386-1451910	134,000,000
3	IT-20191031-0386-1547986	77,000,000
4	IT-20191231-0101-1002315	48,000,000
5	IT-20191231-0386-1484168	300,000,000
6	IT-20191231-0386-1498502	123,000,000
7	IT-20200410-0386-1036439	368,311,000
8	IT-20200529-0386-1212929	233,000,000
9	IT-20200630-0386-1488899	270,000,000
ADMITTED TAX		
1	IT-20201028-0101-1487319	29,113
2	IT-20201028-0101-1488189	29,113
3	IT-20201218-0101-1434063	27,813
4	IT-20201230-0101-1654640	49,768,332
Advance & Admitted Tax Paid		1,895,841,371
Prior Period Tax Credits/WHT		50,462,409
Withholding Income Tax		99,271,114
Total Tax Paid		2,045,574,894

ACKNOWLEDGEMENT SLIP**114(1) (Return of Income filed voluntarily for complete year)****Name:** PESHAWAR ELECTRIC SUPPLY COMPANY**Registration No** 2228080**Address:** LIMITED**Tax Year :** 2020WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar**Period :** 01-Jul-2019 - 30-Jun-2020**Medium :** Online**Contact No:****Due Date :** 31-Dec-2020

00923158300481

Document Date 31-Dec-2020

Description	Code	Amount
Tax Chargeable	9200	2,045,574,894

This is not a valid evidence of being a "filer" for the purposes of clauses (23A) and (35C) of sections 2 and 181A.

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114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
 WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
 Peshawar Peshawar
Contact No:
 00923158300481

Registration No 2228080
Tax Year : 2020
Period : 01-Jul-2019 - 30-Jun-2020
Medium : Online
Due Date : 31-Dec-2020



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Document Date 31-Dec-2020

Business Assets / Equity / Liabilities				
Description	Code	Amount		
Advances / Deposits / Prepayments	3312	62,986,942,131	0	
Trade Debtors / Receivables	3313	86,348,889,699	0	
Stocks / Stores / Spares	3315	5,354,955,142	0	
Short Term Advances / Deposits / Prepayments	3317	2,229,655,063	0	
Cash / Cash Equivalents	3319	10,887,509,347	0	
Other Assets	3348	87,781,001,058	0	
Total Equity / Liabilities	3399	330,553,216,021	0	
Authorized Capital	3351	50,000,000,000	0	
Issued, Subscribed & Paid up capital	3352	10,000	0	
Share Deposit Money	3353	20,176,265,375	0	
Accumulated Profits	3364	-302,052,301,314	0	
Long Term Borrowings / Debt / Loan	3371	69,628,310,073	0	
Deferred Liabilities	3373	124,948,779,286	0	
Provisions / Contingencies	3374	2,019,209,304	0	
Current Portion of Long Term Liabilities	3382	1,429,662,290	0	
Advances / Deposits / Accrued Expenses	3383	1,695,241,806	0	
Trade Creditors / Payables	3384	412,708,039,201	0	
Adjustable Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Adjustable Tax	640000	706,634,293	98,029,177	0
Profit on Debt u/s 151 from Bank Accounts / Deposits	64040002	648,154,883	97,223,232	0
Profit on Debt u/s 151 from Bank Accounts / Deposits	64040002	648,154,883	97,223,232	0
Cash Withdrawal from Bank u/s 231A	64100101	58,479,410	350,876	0
Cash Withdrawal from Bank u/s 231A	64100101	58,479,410	350,876	0
Private Vehicle Tax u/s 234	64130003	0	380,663	0
Private Vehicle Tax u/s 234	64130003	0	380,663	0
Telephone Bill u/s 236(1)(a)	64150001	0	74,406	0
Telephone Bill u/s 236(1)(a)	64150001	0	74,406	0
Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable

114(1) (Return of Income filed voluntarily for complete year)
Name: PESHAWAR ELECTRIC SUPPLY COMPANY

Registration No 2228080

Address: LIMITED

Tax Year : 2020

 WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
 Peshawar Peshawar

Period : 01-Jul-2019 - 30-Jun-2020

Contact No:
Medium : Online

Due Date : 31-Dec-2020

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Document Date 31-Dec-2020

Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Final / Fixed / Minimum / Average / Relevant / Reduced Tax	640001	49,884,173	1,241,937	5,986,101
Brokerage / Commission u/s 233 @12%	64120074	49,884,173	1,241,937	5,986,101
Payment for Services u/s 153(1)(b) @8%	64060166	0	0	0
Computations				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business	3000	-16,062,488,058	0	-16,062,488,058
Tax Chargeable	9200	0	0	2,045,574,894
Turnover / Tax Chargeable u/s 113 @1.5%	923160	135,972,586,213	0	2,039,588,793
Difference of Minimum Tax Chargeable	923201	0	0	5,986,101
Accounting Profit / Tax Chargeable u/s 113C @17%	923173	0	0	0
Difference of Minimum Tax Chargeable u/s 113	923194	0	0	2,039,588,793
Refund Adjustment of Other Year(s) against Demand of this Year	92101	50,548,448	0	50,462,409
Withholding Income Tax	9201	0	99,271,114	
Advance Income Tax	9202	0	1,845,987,000	
Admitted Income Tax	9203	0	49,854,371	0

Depreciation

Description	Code	WDV (BF) (Additions prior to 1st July 2020)	Deletion	Addition (Used in Pakistan)	Extent of Use	Addition (New on or after 1st July 2020)	Extent of Use	Initial Allowance	Depreciation	WDV (CF)
Building (all types)	3302	1,185,846,358	0	0	100	218,968,771	100	0	140,471,313	1254241816
Plant / Machinery (not Otherwise specified)	330301	20,686,390,919	0	0	100	4,026,675,120	100	1,006,698,030	3,555,369,701	20150438308
Computer hardware / Allied items / Equipment used in manufacture of IT products	330302	150,888,129	0	0	100	5,288,429	100	1,317,357	46,452,080	108338141
Furniture (including fittings)	330303	11,638,293	0	0	100	241,220	100	0	1,781,927	10097586
Machinery / Equipment eligible for 1st Year Allowance	330308	0	0	0	0	0	0	0	0	0
Plant / Machinery eligible for Initial Allowance	330308	0	0	0	0	0	0	0	0	0
Motor Vehicle (not paying for hire)	33041	142,294,117	0	0	100	0	100	0	21,344,118	120949909

Minimum Tax Chargeable

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference of Minimum Tax Chargeable
Payment for Services u/s 153(1)(b) @8%	64060166	0	0	0	0	0	0
Brokerage / Commission u/s 233 @12%	64120074	49,884,173	1,241,937	5,986,101	-3,814,440	0	5,986,101

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114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar
Contact No:
00923158300481

Registration No 2228080
Tax Year : 2020
Period : 01-Jul-2019 - 30-Jun-2020
Medium : Online
Due Date : 31-Dec-2020



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Document Date 31-Dec-2020

Option out of

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference (Option Valid if <=0)
Brokerage / Commission u/s 233 @12%	64120074	49,884,173	1,241,937	5,986,101	-3,814,440	0	5,986,101

Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT201909300386145 1846	30-Sep-2019	9202	Advance Income Tax	292676000	2020
IT201909300386145 1910	30-Sep-2019	9202	Advance Income Tax	134000000	2020
IT201910310386154 7986	31-Oct-2019	9202	Advance Income Tax	77000000	2020
IT201912310101100 2315	31-Dec-2019	9202	Advance Income Tax	48000000	2020
IT201912310386148 4168	31-Dec-2019	9202	Advance Income Tax	300000000	2020
IT201912310386149 8502	31-Dec-2019	9202	Advance Income Tax	123000000	2020
IT202004100386103 6439	10-Apr-2020	9202	Advance Income Tax	368311000	2020
IT202005290386121 2929	29-May-2020	9202	Advance Income Tax	233000000	2020
IT202006300386148 8899	30-Jun-2020	9202	Advance Income Tax	270000000	2020

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Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT202010280101148 7319	28-Oct- 2020	9203	Admitted Income Tax	29113	2020
IT202010280101148 8189	28-Oct- 2020	9203	Admitted Income Tax	29113	2020
IT202012180101143 4063	18-Dec- 2020	9203	Admitted Income Tax	27813	2020
IT202012300101165 4640	30-Dec- 2020	9203	Admitted Income Tax	49768332	2020

TAX RECONCILIATION STATEMENT

FOR FY 2020-21

SR. NO.	DESCRIPTION	AMOUNT (PKR)
1	Tax Assessed for the period	2,144,792,189
PAYMENT DETAILS		
1	IT-20200630-0386-1489241	250,000,000
2	IT-20200925-0101-1440688	428,720,000
3	IT-20201231-0101-1675827	450,000,000
4	IT-20210127-0101-1453978	100,000,000
5	IT-20210331-0101-1802164	433,240,000
6	IT-20210629-0101-1636202	480,000,000
Advance Tax Paid		2,141,960,000
Withholding Income Tax		86,275,765
Total Tax Paid		2,228,235,765

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ACKNOWLEDGEMENT SLIP**114(1) (Return of Income filed voluntarily for complete year)**

Name: PESHAWAR ELECTRIC SUPPLY COMPANY

Registration No 2228080

Address: LIMITED

Tax Year : 2021

WAPDA HOUSE, SHAMI ROAD, PESHAWAR,

Period : 01-Jul-2020 - 30-Jun-2021

Peshawar Peshawar

Medium : Online

Contact No:

Due Date : 31-Dec-2021

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Document Date 31-Dec-2021

Description	Code	Amount
Refundable Income Tax	9210	83,443,576
Tax Chargeable	9200	2,144,792,189

This is not a valid evidence of being a "filer" for the purposes of clauses (23A) and (35C) of sections 2 and 181A.

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080

Tax Year : 2021

Period : 01-Jul-2020 - 30-Jun-2021

Medium : Online

Due Date : 31-Dec-2021

Contact No:
00923158300481



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Document Date 31-Dec-2021

Business Assets / Equity / Liabilities				
Description	Code	Amount		
Cash / Cash Equivalents	3319	13,475,596,076	0	
Other Assets	3348	153,624,565,238	0	
Total Equity / Liabilities	3399	330,350,033,437	0	
Authorized Capital	3351	50,000,000,000	0	
Issued, Subscribed & Paid up capital	3352	10,000	0	
Share Deposit Money	3353	20,176,265,375	0	
Accumulated Profits	3364	-331,304,484,637	0	
Long Term Borrowings / Debt / Loan	3371	56,742,520,744	0	
Deferred Liabilities	3373	138,456,763,857	0	
Provisions / Contingencies	3374	2,139,934,147	0	
Current Portion of Long Term Liabilities	3382	1,862,381,843	0	
Advances / Deposits / Accrued Expenses	3383	2,482,411,872	0	
Trade Creditors / Payables	3384	439,794,230,236	0	
Adjustable Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Adjustable Tax	640000	0	84,568,720	0
Profit on Debt u/s 151 from Bank Accounts / Deposits	64040002	0	83,805,556	0
Profit on Debt u/s 151 from Bank Accounts / Deposits - Profit On Debt - U/s 151	64040002	0	83,805,556	0
Private Vehicle Tax u/s 234	64130003	0	26,400	0
Private Vehicle Tax u/s 234 - Private Vehicle Tax - U/s 234	64130003	0	26,400	0
Telephone Bill u/s 236(1)(a)	64150001	0	46,548	0
Telephone Bill u/s 236(1)(a) - Telephone - U/s 236(1)(a)	64150001	0	46,548	0
Cellphone Bill u/s 236(1)(a)	64150002	0	690,216	0
Cellphone Bill u/s 236(1)(a) - U/FONE - U/s 236	64150002	0	690,216	0
Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Final / Fixed / Minimum / Average / Relevant / Reduced Tax	640001	53,140,177	1,707,045	6,376,821
Brokerage / Commission u/s 233 @12%	64120074	53,140,177	1,707,045	6,376,821
Capital Gains on Immoveable Property u/s 37(1A)	64220050	0	0	0

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114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2021
Period : 01-Jul-2020 - 30-Jun-2021
Medium : Online
Due Date : 31-Dec-2021

Contact No:
00923158300481



100000115466972

Document Date 31-Dec-2021

Computations				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business	3000	-22,515,727,630	0	-22,515,727,630
Tax Chargeable	9200	0	0	2,144,792,189
Turnover / Tax Chargeable u/s 113 @1.5%	923160	142,561,024,503	0	2,138,415,368
Difference of Minimum Tax Chargeable	923201	0	0	6,376,821
Accounting Profit / Tax Chargeable u/s 113C @17%	923173	0	0	0
Difference of Minimum Tax Chargeable u/s 113	923194	0	0	2,138,415,368
Withholding Income Tax	9201	0	86,275,765	
Advance Income Tax	9202	0	2,141,960,000	
Refundable Income Tax	9210	0	0	83,443,576

Depreciation

Description	Code	WDV (80% Additions prior to 1st July 2020)	Deletion	Addition (Used in Pakistan)	Extent of Use	Addition (New on or after 1st July 2020)	Extent of Use	Initial Allowance	Depreciation	WDV (CP)
Building (all types)	3302	1,264,241,815	0	0	100	318,964,081	100	0	142,271,886	1438924011
Plant / Machinery (not Otherwise specified)	330301	20,150,436,308	0	0	100	6,336,345,897	100	1,564,086,474	3,378,985,203	21523712526
Computer Hardware / Aided items / Equipment used in manufacture of IT products	330302	108,266,141	0	0	100	31,238,877	100	7,809,219	36,030,591	95785208
Furniture (including fittings)	330303	10,097,586	0	0	100	2,689,522	100	0	1,716,352	11070756
Motor Vehicle (not plying for hire)	33041	120,949,999	0	0	100	201,525,000	100	0	33,258,875	289218124

Minimum Tax Chargeable

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference of Minimum Tax Chargeable
Brokerage / Commission u/s 233 @12%	64120074	53,140,177	1,707,045	6,376,821	-5,834,587	0	6,376,821

Option out of

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference (Option Valid if <=0)
Brokerage / Commission u/s 233 @12%	64120074	53,140,177	1,707,045	6,376,821	-5,834,587	0	6,376,821

Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
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Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT202006300386148 9241	30-Jun-2020	9202	Advance Income Tax	250000000	2021
IT202009250101144 0688	25-Sep-2020	9202	Advance Income Tax	428720000	2021
IT202012310101167 5827	31-Dec-2020	9202	Advance Income Tax	450000000	2021
IT202101270101145 3978	27-Jan-2021	9202	Advance Income Tax	100000000	2021
IT202103310101180 2164	31-Mar-2021	9202	Advance Income Tax	433240000	2021
IT202106290101163 6202	29-Jun-2021	9202	Advance Income Tax	480000000	2021

TAX RECONCILIATION STATEMENT

FOR FY 2021-22

SR. NO.	DESCRIPTION	AMOUNT (PKR)
1	Tax Assessed	2,265,474,843
PAYMENT DETAILS		
ADVANCE TAX		
1	IT-20210928-0101-1632039	500,000,000
2	IT-20211230-0101-1534013	505,000,000
3	IT-20220328-0101-1532395	510,000,000
4	IT-20220628-0101-1626715	400,000,000
5	IT-20220630-0101-1748046	115,000,000
6	IT-20220630-0101-1776999	42,000,000
ADMITTED TAX		
1	IT-20221230-0101-2405155	15,971,285
Advance & Admitted Tax Paid		2,087,971,285
Withholding Income Tax		177,503,558
Total Tax Paid		2,265,474,843

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ACKNOWLEDGEMENT SLIP**114(1) (Return of Income filed voluntarily for complete year)**

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar
Contact No:
00923158300481

Registration No 2228080
Tax Year : 2022
Period : 01-Jul-2021 - 30-Jun-2022
Medium : Online
Due Date : 31-Dec-2022

Document Date 30-Dec-2022

Description	Code	Amount
Tax Chargeable	9200	2,265,474,843

This is not a valid evidence of being a "filer" for the purposes of clauses (23A) and (35C) of sections 2 and 181A.

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114(1) (Return of Income filed voluntarily for complete year)
Name: PESHAWAR ELECTRIC SUPPLY COMPANY

Registration No 2228080

Address: LIMITED

Tax Year : 2022

 WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
 Peshawar Peshawar

Period : 01-Jul-2021 - 30-Jun-2022

Contact No:
Medium : Online

Due Date : 31-Dec-2022

00923158300481

Document Date 30-Dec-2022


110000094017948

Business Assets / Equity / Liabilities				
Description	Code	Amount		
Other Assets	3348	138,636,094,475	0	
Total Equity / Liabilities	3399	340,861,026,036	0	
Authorized Capital	3351	50,000,000,000	0	
Issued, Subscribed & Paid up capital	3352	10,000	0	
Share Deposit Money	3353	92,855,405,071	0	
Accumulated Profits	3364	452,222,342,0	0	
Long Term Borrowings / Debt / Loan	3371	58,054,702,964	0	
Deferred Liabilities	3373	165,643,092,367	0	
Provisions / Contingencies	3374	2,257,808,735	0	
Current Portion of Long Term Liabilities	3382	2,143,075,981	0	
Advances / Deposits / Accrued Expenses	3383	3,178,873,917	0	
Trade Creditors / Payables	3384	468,950,399,100	0	
Adjustable Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Adjustable Tax	640000	0	175,725,748	0
Profit on Debt u/s 151 from Bank Accounts / Deposits	64040002	0	142,835,904	0
Profit on Debt u/s 151 from Bank Accounts / Deposits - WHT - POD	64040002	0	142,835,904	0
Payment for Services u/s 153(1)(b) @8% u/c (42) of Part IV of Second Schedule	64060116	0	32,279,566	0
Private Vehicle Tax u/s 234	64130003	0	76,900	0
Private Vehicle Tax u/s 234 - WHT - ON VEHICLE	64130003	0	76,900	0
Telephone Bill u/s 236(1)(a)	64150001	0	57,986	0
Telephone Bill u/s 236(1)(a) - WHT - ON TELEPHONE	64150001	0	57,986	0
Cellphone Bill u/s 236(1)(a)	64150002	0	475,392	0
Cellphone Bill u/s 236(1)(a) - WHT - Ufone	64150002	0	475,392	0

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114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar
Contact No:
00923158300481

Registration No 2228080
Tax Year : 2022
Period : 01-Jul-2021 - 30-Jun-2022
Medium : Online
Due Date : 31-Dec-2022



110000094017948

Document Date 30-Dec-2022

Capital Assets u/s 7E				
Description	Code	Cost / Declared Value	Fair Market Value	
Total value of capital assets taxable under section 7E	7107	0	0	0
Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Final / Fixed / Minimum / Average / Relevant / Reduced Tax	640001	89,541,700	1,777,810	7,163,336
Capital Gains on Immovable Property u/s 37(3A) where holding period exceed 2 years but does not exceed 3 years	64330058	0	0	
Capital Gains on Immovable Property u/s 37(3A) where holding period exceed 3 years but does not exceed 4 years	64330059	0	0	
Capital Gains on Immovable Property u/s 37(1A)	64220050	0	0	0
Capital Gains on Immovable Property u/s 37(3A) where holding period exceed 1 year but does not exceed 2 years	64220059	0	0	
Payment for Services u/s 153(1)(b) @8%	64060166	89,541,700	1,777,810	7,163,336
Computations				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business	3000	91,153,856,93	0	91,153,856,933
Tax Chargeable	9200	0	0	2,265,474,843
Turnover / Tax Chargeable u/s 113 @ 1.25%	923161	180,664,920,570	0	2,258,311,507
Difference of Minimum Tax Chargeable	923201	0	0	7,163,336
Accounting Profit / Tax Chargeable u/s 113C @17%	923173	0	0	0
Difference of Minimum Tax Chargeable u/s 113	923194	0	0	2,258,311,507
Refund Adjustment of Other Year(s) against Demand of this Year	92101	0	0	0
Withholding Income Tax	9201	0	177,503,558	
Advance Income Tax	9202	0	2,072,000,000	
Admitted Income Tax	9203	0	15,971,285	0

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114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY

Registration No 2228080

Address: LIMITED

Tax Year : 2022

WAPDA HOUSE, SHAMI ROAD, PESHAWAR,

Period : 01-Jul-2021 - 30-Jun-2022

Peshawar Peshawar

Medium : Online

Contact No:

Due Date : 31-Dec-2022

00923158300481



110000094017948

Document Date 30-Dec-2022

Depreciation

Description	Code	WDV (BF) / (Addition s prior to 1st July 2020)	Deletion	Addition (Used in Pakistan)	Extent of Use	Addition (New on or after 1st July 2020)	Extent of Use	Initial Allowance	Depreciation	WDV (CF)
Equipment eligible for 1st Year Allowance	330308	0	0	0	0	4,164	100	,041	84	39
Plant / Machinery eligible for Initial Allowance	330308	0	0	0	0	12,402,764,164	100	3,100,691,041	697,655,484	8604417639
Motor Vehicle (not plying for hire)	33041	0	0	0	0	288,132,240	100	0	21,609,918	266522322

Minimum Tax Chargeable

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference of Minimum Tax Chargeable
Payment for Services u/s 153(1)(b) @8%	64060166	89,541,700	1,777,810	7,163,336	35,026,32	0	7,163,336

Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT2021092801011632039	28-Sep-2021	9202	Advance Income Tax	500000000	2022
IT2021123001011534013	30-Dec-2021	9202	Advance Income Tax	505000000	2022
IT2022032801011532395	28-Mar-2022	9202	Advance Income Tax	510000000	2022

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Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT202206280101162 6715	28-Jun- 2022	9202	Advance Income Tax	400000000	2022
IT202206300101174 8046	30-Jun- 2022	9202	Advance Income Tax	115000000	2022
IT202206300101177 6999	30-Jun- 2022	9202	Advance Income Tax	42000000	2022
IT202212300101240 5155	30-Dec- 2022	9203	Admitted Income Tax	15971285	2022

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TAX RECONCILIATION STATEMENT

FOR FY 2022-23

SR. NO.	DESCRIPTION	AMOUNT (PKR)
PAYMENT DETAILS		
1	IT-20220929-0101-2386343	589,817,852
2	IT-20221229-0101-2364332	535,613,226
Advance Tax Paid		1,125,431,078

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20220929-0101-2386343

Payment Date : 29-Sep-2022

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 589,817,852

Amount of Tax in Words : Five Hundred Eighty Nine Million Eight Hundred Seventeen Thousand Eight Hundred Fifty Two Rupees
And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	589,817,852	29-Sep-2022		



IT-20220929-0101-2386343

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20221229-0101-2364332

Payment Date : 29-Dec-2022

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED, WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 535,613.226

Amount of Tax in Words : Five Hundred Thirty Five Million Six Hundred Thirteen Thousand Two Hundred Twenty Six Rupees And
No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	535 613.226	29-Dec-2022		



IT-20221229-0101-2364332

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

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Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the November 12, 2019.

NOTIFICATION

S.R.O.1379(I)/2019.- In pursuance of sub-section (7) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to notify the Uniform Seasonal Pricing Structure for period of November 2019 to February 2020, for units consumed above consumption made during the same period / month last year. The rates are as specified in the Table below, for all EX-WAPDA Distribution Companies, namely:-

"Table

SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
A-1 General Supply tariff - Residential			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
		Peak	Off-Peak
b)	For Sanctioned load 5 kW & above	11.97	11.97
	Time of Use	11.97	11.97
SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
A-2 General Supply tariff - Commercial			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
		Peak	Off-Peak
c)	Time of Use	11.97	11.97

SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
B INDUSTRIAL SUPPLY TARIFF			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
		Peak	Off-Peak
B-1	Upto 25 kW (at 400/230 Volts)	11.97	11.97
B2(a)	Exceeding 25-500 kW (at 400 Volts)	11.97	11.97
	Time of Use	Peak	Off-Peak
B1 (b)	Up to 25 KW	11.97	11.97
B2 (b)	Exceeding 25-500 kW (at 400 Volts)	11.97	11.97
B3	For All Loads up to 5000 KW (at 11, 33	11.97	11.97
B4	For All Loads (at 66,132 kV & above)	11.97	11.97

IF-NO.P-I-4 (181/2019)

(Syed Mateen Ahmed)
Section Officer (Tariff)

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PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of November, 2019 (w.o.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	515,349	0	515,349	22.28	11.97	10.31	5,313,248.19
A-1B(03)T OFF-PEAK	1,876,797	0	1,876,797	15.96	11.97	3.99	7,488,420.03
A-2C(06)T PEAK	959,786	0	959,786	24.23	11.97	12.26	11,766,976.36
A-2C(06)T OFF-PEAK	3,783,533	0	3,783,533	18.26	11.97	6.29	23,798,422.57
B-1(07)	129,659	0	129,659	17.91	11.97	5.94	770,174.46
B-1(09)T PEAK	247,890	0	247,890	21.47	11.97	9.50	2,354,955.00
B-1(09)T OFF-PEAK	1,340,671	0	1,340,671	15.91	11.97	3.94	5,282,243.74
B-2A(10)	31,674	0	31,674	17.41	11.97	5.44	172,306.56
B-2B(12)T PEAK	1,814,607	0	1,814,607	21.41	11.97	9.44	17,129,890.08
B-2B(12)T OFF-PEAK	11,057,963	0	11,057,963	15.7	11.97	3.73	41,246,201.99
B-3(14)T PEAK	492,571	0	492,571	21.41	11.97	9.44	4,649,870.24
B-3(14)T OFF-PEAK	8,416,517	0	8,416,517	15.61	11.97	3.64	30,636,121.88
B-4(17)T PEAK	934,848	0	934,848	21.41	11.97	9.44	8,824,965.12
B-4(17)T OFF-PEAK	3,778,608	0	3,778,608	15.51	11.97	3.54	13,376,272.32
TOTAL	35,380,473	0	35,380,473				172,810,068.54

Muhammad Mashkoo Khan
Addl. Director General (IS)

Yasir Naseem
Finance Director
Countersigned

Muhammad Yaqoob Chaudhary
General Manager Commercial

Muhammad Amjad
Chief Executive Officer

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PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of November, 2019 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	763,573	417,177	346,396	22.35	11.97	10.38	3,595,593.07
A-1B(03)T OFF-PEAK	2,980,862	1,815,703	1,165,159	16.03	11.97	4.06	4,730,544.20
A-2C(06)T PEAK	3,546,373	2,624,743	921,630	24.49	11.97	12.52	11,538,807.60
A-2C(06)T OFF-PEAK	14,888,985	11,516,432	3,372,553	18.52	11.97	6.55	22,090,222.15
B-1(07)	120,798	63,814	56,984	18.17	11.97	6.20	353,299.24
B-1(09)T PEAK	430,205	200,554	229,651	21.73	11.97	9.76	2,241,393.76
B-1(09)T OFF-PEAK	3,309,584	2,012,273	1,297,311	16.17	11.97	4.20	5,448,706.20
B-2A(10)	35,429	12,084	23,345	17.67	11.97	5.70	133,066.50
B-2B(12)T PEAK	3,963,419	2,405,134	1,558,285	21.67	11.97	9.70	15,115,364.50
B-2B(12)T OFF-PEAK	26,949,815	17,046,100	9,903,715	15.96	11.97	3.99	39,515,822.85
B-3(14)T PEAK	3,336,805	2,620,655	716,150	21.67	11.97	9.70	6,946,655.00
B-3(14)T OFF-PEAK	27,435,745	18,884,560	8,551,185	15.87	11.97	3.90	33,349,621.50
B-4(17)T PEAK	2,591,640	1,874,760	716,880	21.67	11.97	9.70	6,953,736.00
B-4(17)T OFF-PEAK	13,435,800	10,978,320	2,457,480	15.77	11.97	3.80	9,338,424.00
TOTAL	103,789,033	72,472,310	31,316,723				161,351,256.57

Muhammad Mashkoor Khan
Idl: Director General (IS)

Yasir Naseem
Finance Director

Muhammad Yaqoob Chaudhary
General Manager Commercial

Countersigned

Muhammad Amjad
Chief Executive Officer

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PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of January, 2020 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	1,219,132	721,294	497,838	22.35	11.97	10.38	5,167,558.44
A-1B(03)T OFF-PEAK	4,907,883	2,827,441	2,080,442	16.03	11.97	4.06	8,446,594.52
A-2C(06)T PEAK	3,699,449	2,603,887	1,095,562	24.49	11.97	12.52	13,716,436.24
A-2C(06)T OFF-PEAK	15,097,589	11,562,832	3,534,757	18.52	11.97	6.55	23,152,658.35
B-1(07)	219,237	123,821	95,415	18.17	11.97	6.20	591,577.65
B-1(09)T PEAK	518,653	253,868	264,785	21.73	11.97	9.76	2,584,301.60
B-1(09)T OFF-PEAK	3,463,815	2,070,607	1,393,208	16.17	11.97	4.20	5,851,473.60
B-2A(10)	51,208	27,755	23,453	17.67	11.97	5.70	133,582.10
B-2B(12)T PEAK	4,612,998	2,784,671	1,828,327	21.67	11.97	9.70	17,734,771.90
B-2B(12)T OFF-PEAK	28,925,414	18,425,649	10,499,765	15.96	11.97	3.99	41,894,062.35
B-3(14)T PEAK	2,752,770	2,194,345	558,425	21.67	11.97	9.70	5,416,722.50
B-3(14)T OFF-PEAK	23,130,380	14,559,195	8,571,185	15.87	11.97	3.90	33,427,621.50
B-4(17)T PEAK	4,591,320	3,512,400	1,078,920	21.67	11.97	9.70	10,465,524.00
B-4(17)T OFF-PEAK	27,394,200	22,458,360	4,935,840	15.77	11.97	3.80	18,756,192.00
TOTAL	120,584,048	84,126,126	36,457,922				187,339,176.75

Muhammad Mashkeor Khan
Addl: Director General (IS)

Raz Khan
Finance Director

Sher Dad Khan
Chief Commercial Officer

Countersigned

Muhammad Amjad
Chief Executive Officer

Dy: Chief Auditor
PESCO Peshawar

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9/10 63/03

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of February, 2020 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	1,206,024	661,836	544,188	22.35	11.97	10.38	5,648,671.44
A-1B(03)T OFF-PEAK	4,762,610	2,732,348	2,030,262	16.03	11.97	4.06	8,242,863.72
A-2C(06)T PEAK	3,946,411	2,593,668	1,352,743	24.49	11.97	12.52	16,936,342.36
A-2C(06)T OFF-PEAK	18,093,395	12,913,067	5,180,328	18.52	11.97	6.55	33,931,148.40
B-1(07)	232,025	124,686	107,339	18.17	11.97	6.20	665,501.80
B-1(09)T PEAK	572,585	274,018	298,567	21.73	11.97	9.76	2,914,013.92
B-1(09)T OFF-PEAK	3,447,046	2,025,828	1,421,218	16.17	11.97	4.20	5,969,115.60
A(10)	10,480	5,610	4,870	17.67	11.97	5.70	27,759.00
B-2B(12)T PEAK	4,612,669	2,639,542	1,973,127	21.67	11.97	9.70	19,139,331.90
B-2B(12)T OFF-PEAK	28,506,525	17,673,133	10,833,392	15.96	11.97	3.99	43,225,234.08
B-3(14)T PEAK	2,620,695	2,055,075	565,620	21.67	11.97	9.70	5,486,514.00
B-3(14)T OFF-PEAK	18,790,520	11,143,835	7,646,685	15.87	11.97	3.90	29,822,071.50
B-4(17)T PEAK	1,198,800	881,280	317,520	21.67	11.97	9.70	3,079,944.00
B-4(17)T OFF-PEAK	13,077,360	10,207,440	2,869,920	15.77	11.97	3.80	10,905,696.00
TOTAL	101,077,145	65,931,367	35,145,778				185,994,207.72

Muhammad Mashkoor Khan
Addl: Director General (IS)

Yasir Haseem
Finance Director

Sher Dad Khan
Chief Commercial Officer

Countersigned

Muhammad Amjad
Chief Executive Officer

Dy: Chief Auditor
PESCO Peshawar

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Subsidy-Invoice-Feb-20.xlsx

Annex - B

Government of Pakistan
Ministry of Energy
Power Division
Power Coordination Policy & Finance Wing
(Subsidy Cell)
__**_**_**_**

No. SBC-15(50)/2019(USPS)

5th Floor NEECA Building, G-5/2
Islamabad, 31st August 2020
Ph. 051-9244706, Fax 051-9244704

Chief Executive Officer, PESCO
WAPDA House Shami Road,
Peshawar.

Subject:- **UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020**

Reference: Your office memo vide No.5513-17, 5462-66, 5613-17, 5646-50 dated 08-01-2020, 27-01-2020, 28-02-2020, 20-03-2020.

With reference to above, the PESCO has submitted the subsidy claims on account of Uniform Seasonal Pricing Structure (USPS) for the period December 2019 to February 2020 against tariff of Rs 11.97 notified vide SRO No 1379(I)/2019 dated 12-11-2019. The claims has been perused in the light of above SRO/ notification and found that said SRO/ notification does not speaks payment of subsidy by Federal Government against USPS. Hence this office is not in position to process/ verify USPS subsidy claims.

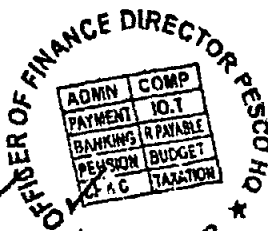
In view forgoing, the USPS subsidy claims are returned unactioned with the remarks to take up the matter directly with CPPA-G for further necessary action/ settlement at their end.

Encl: As Above

(Javed Iqbal)
Cost Accounts Officer

Copy to:-

1. Joint Secretary (PF), (Power Division) Ministry of Energy Islamabad.





PESHAWAR ELECTRIC SUPPLY COMPANY

(091) 9212021
(091) 9212024

OFFICE OF THE
CHIEF EXECUTIVE PESCO
WAPDA HOUSE, PESHAWAR

No. 4269 / 1 / 1

Dated 22 / 1 / 2020

Syed Mateen Ahmad,
Section Officer (Tariff),
Ministry of Energy (Power Division),
Government of Pakistan, Islamabad.

Subject:- UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020.

Reference:- Cost Accounts Officer, Ministry of Energy (Power Division), Power Coordination Policy & Finance Wing (Subsidy Cell)'s letter No. SBC-15(50)/2019(USPS), dated 31/08/2020.

Subsidy claims submitted to Subsidy Cell on Account of Uniform Seasonal Pricing Structure (USPS) for the period December, 2019 to February, 2020 against tariff of Rs.11.97 notified vide SRO No. 1379(1)/2019, dated 12/11/2019 has been returned un-actioned by Subsidy Cell on the plea that the said SRO does not speak payment of subsidy by Federal Govt: against Uniform Seasonal Pricing Structure (USPS), rather it has been advised by the Subsidy Cell to take up the matter with CCPA-G for necessary action / settlement at their end.

Keeping the foregoing in view, it is requested to please clarify the matter so as to proceed further accordingly.

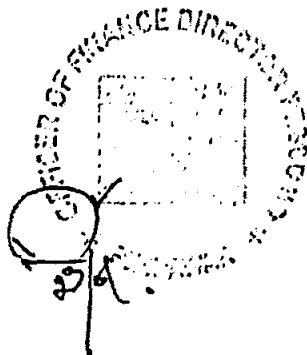
Chief Executive Officer
PESCO Peshawar

Copy to: - ✓

1. Dy: General Manager (Finance) to pursue the issue with concerned authorities at CPPA-G & Subsidy Cell accordingly.

4269

24/09/2020



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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025

Fax: 9211987

OFFICE OF THE

CHIEF EXECUTIVE OFFICER

PESCO, PESHAWAR.

Dated: 5/03/2021

No: 7134-39 /FD/PESCO/CP&C

Joint Secretary (PF),
Ministry of Energy (Power Division)
Islamabad.

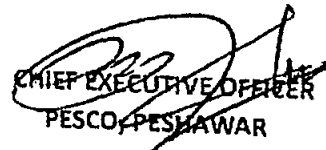
Subject: UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD
NOVEMBER 2019 TO FEBRUARY 2020.

- Reference: - i) USPS subsidy Claims submitted vide this Office letter No. 5462-66 dated 08-01-2020, No. 5513-17 dated 27-01-2020, No. 5613-17 dated 28-02-2020 and No.5646-50 dated 20-03-2020.
- ii) Cost Accounts Officer Subsidy cell letter No. SBC-15(50)/2019 dated 31-08-2020
- iii) This Office letter No. 11153-54 dated 22-09-2020 & No. 13066-67 dated 16-11-2020

Your kind attention is invited to the S.R.O.1379(I)/2019 dated 12-11-2019 (Annex-A) wherein the Uniform Seasonal Pricing Structure for the period November 2019 to February 2020 was notified on units consumed above the consumption made during the same period / month last year. Accordingly, PESCO has charged the subsidized rates to the specified consumers and submitted USPS subsidy claims of Rs. 707.50 million to the Cost Accounts Officer, Subsidy cell, Ministry of Energy (Power Division), Islamabad vide letters under reference at Sr. No. (i) above.

The USPS subsidy claims were returned by the Cost Accounts Officer vide letter under reference at Sr. No (ii) (Annex-B) with the remarks that the said S.R.O does not speak payment of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. It is apprised that PESCO is operating in a regulatory regime and generates revenue on the basis of NEPRA determined tariff either from consumers or from Federal Government in the shape of subsidy on the basis of the rates notified by GoP (in this case the applicable notification is S.R.O.09 (I)/2019 dated 01/01/2019 Annex-C). However, PESCO is facing revenue shortfall of Rs.707.50 Million on the basis of the subsidized USPS rates charged to the consumers and the recovery of the remaining amount is still pending. It is pertinent to mention here that NEPRA is the sole authority for determination of rates and it can only be changed by NEPRA and PESCO does not have the authority to reduce the determined rates.

Keeping foregoing in view, it is therefore once again requested to decide about the revenue shortfall of Rs. 707.50 Million being faced by PESCO and accordingly accept / verify the USPS subsidy claims of PESCO by rectifying the said S.R.O.1379(I)/2019 dated 12-11-2019.


CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

Cc to:

1. Managing Director PEPCO, 725-Wapda House, Lahore.
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Chief Commercial Officer, PESCO.
4. Section Officer Tariff, Ministry of Energy, Power Division, Islamabad.
5. Cost Accounts Officer, Subsidy Cell, Ministry of Energy, Power Division, Islamabad.

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پشاور برقی سپلائی کمپنی

PESHAWAR ELECTRIC SUPPLY COMPANY

(091) 9212033

(091) 9213566

OFFICE OF THE
CHIEF EXECUTIVE PESCO
WAPDA HOUSE, PESHAWAR

No. 6396-77 / 11-1

Dated 3/6/2021

Syed Mateen Ahmad,
Section Officer (Tariff),
Ministry of Energy (Power Division),
Government of Pakistan, Islamabad.

Reminder-II

Subject:- UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020.

Reference:- This office letter No. 11153-54, dated 22/09/2020 and 13066-67, dated 16/11/2020.

Your attention is invited to this office letter Nos. mentioned above vide which it was intimated that the subsidy claims submitted to Subsidy Cell on account of Uniform Seasonal Pricing Structure (USPS) in the light of SRO No. 1379(1)/2019, dated 12/11/2019 were returned un-actioned by the Subsidy Cell on the plea that the said SRO does not speak payment of USPS subsidy by Federal Govt: and the matter may be taken up with CPPA-G for necessary action / settlement at their end.

Keeping the foregoing in view, it is once again requested to please look into the matter and clarify the same to save PESCO from Revenue loss.

Chief Executive Officer
PESCO Peshawar

Copy to:-

1. Managing Director PEPCO, 725-WAPDA House, Lahore.
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Finance Director, PESCO H/Q Peshawar.
4. Cost Accounts Officer, Subsidy Cell, Ministry of Energy (Power Division), Islamabad.

2581
08/06/21

FINANCE DIRECTOR	
ADMN	COMP
PAYMENT	...
BANKING	...
PENSION	BUDGET
CP&C	TAXATION

Q/a

Mr. Leeman

A 9/6

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025
Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR.
Dated: 07/05/2021

No: 7256-61 /FD/PESCO/CP&C

Joint Secretary (PF),
Ministry of Energy (Power Division)
Islamabad.

REMINDER-III


Subject: UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD
NOVEMBER 2019 TO FEBRUARY 2020.

- Reference: -
- i) USPS subsidy Claims submitted vide this Office letter No. 5462-66 dated 08-01-2020, No. 5513-17 dated 27-01-2020, No. 5613-17 dated 28-02-2020 and No. 5646-50 dated 20-03-2020.
 - ii) Cost Accounts Officer Subsidy cell letter No. SBC-15(50)/2019 dated 31-08-2020
 - iii) This Office letter No. 11153-54 dated 22-09-2020, letter No. 13066-67 dated 16-11-2020 & letter No. 7134-39/PESCO dated 05-03-2021

Your kind attention is invited to this office letters referred above at Sr. (iii) wherein it was apprised that in the light of S.R.O.1379(I)/2019 dated 12-11-2019, PESCO has submitted USPS subsidy claims of Rs. 707.50 million to the Cost Accounts Officer, Subsidy cell, Ministry of Energy (Power Division), Islamabad vide letters under reference at Sr. No. (i) above.

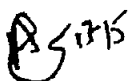
The USPS subsidy claims were returned by the Cost Accounts Officer vide letter under reference at Sr. No (ii) with the remarks that the said S.R.O does not speak payment of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. It is again emphasized that PESCO is operating in a regulatory regime and generates revenue on the basis of NEPRA determined tariff either from consumers or from Federal Government in the shape of subsidy on the basis of the rates notified by GoP (in this case the applicable notification is S.R.O.09 (I)/2019 dated 01/01/2019). However, PESCO is facing revenue shortfall of Rs.707.50 Million on the basis of the subsidized USPS rates charged to the consumers and the recovery of the remaining amount is still pending. It is pertinent to mention here that NEPRA is the sole authority for determination of rates and it can only be changed by NEPRA and PESCO does not have the authority to reduce the determined rates.

Keeping foregoing in view, it is once again requested to consider PESCO request and decide about the revenue shortfall of Rs. 707.50 Million being faced by PESCO and accordingly accept / verify the USPS subsidy claims of PESCO by rectifying the said S.R.O.1379(I)/2019 dated 12-11-2019.


CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR
4/7/21

Cc to:

1. Managing Director PEPCO, 725-Wapda House, Lahore.
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Chief Commercial Officer, PESCO.
4. Section Officer Tariff, Ministry of Energy, Power Division, Islamabad.
5. Cost Accounts Officer, Subsidy Cell, Ministry of Energy, Power Division, Islamabad







PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025
Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR
Dated: 14/05/2022

No: 8139-41/FD/PESCO/CP&C

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
ISLAMABAD.

Subject: **IMPACT OF POSITIVE FCA IN THE MATTER OF LIFE LINE CONSUMERS IN REQUESTS FILED BY PESCO FOR PERIODIC ADJUSTMENTS IN TARIFF FOR FY 2017-18 TO FY 2020-21.**

In continuation of Multi Year Tariff petition filed by PESCO on 03-06-2021 and multiple discussions with NEPRA Tariff team, your kind attention is invited towards the NEPRA Decisions in the matter of request filed by PESCO for Periodic Quarterly Adjustments in Tariff for FY 2017-18 to FY 2020-21, wherein the Authority has not considered/ allowed the impact of lifeline consumers. Moreover, the said impact of lifeline consumers has also not been allowed in Annual Tariff Determinations of PESCO as part of Prior Year Adjustments (PYA) thereby, resulting in the shortfall of Rs. 1,023 Million for the period 2017-18 to FY 2020-21. The detailed monthly working is attached at Annex-A.

The yearly detail of pending/ unrecovered Positive FCA on lifeline consumers as per the requests filed by PESCO and quarterly FCA allowed by NEPRA is as under:

Rs. In Million

Impact of T&D Losses	As per PESCO	As per NEPRA Determination	Difference/Impact of FCA regarding Lifeline Consumers
FY 2017-18	565	511	54
FY 2018-19	2,352	2,150	202
FY 2019-20	5,446	4,940	506
FY 2020-21	2,731	2,470	261
Total	11,095	10,071	1,023

Keeping foregoing in view, it is requested to kindly allow the impact of positive FCA, amounting to Rs. 1,023 Million in the matter of life line consumers as part of Prior Year Adjustment in the Multi-Year Tariff Petition filed by PESCO for its Consumer End Tariff for FY 2020-21 to FY 2024-25 please.

7/14/5
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Cc to:

- Chief Financial Officer, PPMC, Evacuee Trust Complex, Islamabad.
- Chief Financial Officer, CPPA-G, Islamabad.

14-5-22

(90)

~~(Annex-A)~~

PESHAWAR ELECTRIC SUPPLY COMPANY
IMPACT OF LIFE LINE CONSUMERS IN QUARTERLY ADJUSTMENTS

Year	Description	NEPRA Determined	As per PESCO	Variance
FY 2017-18	4th Qtr	511	565	54
	Sub Total	511	565	54
FY 2018-19	1st Qtr	841	902	61
	2nd Qtr	251	276	25
	3rd Qtr	897	990	93
	4th Qtr	162	184	23
	Sub Total	2,150	2,352	202
FY 2019-20	1st Qtr	2,673	2,947	274
	2nd Qtr	1,465	1,616	150
	3rd Qtr	802	884	82
	Sub Total	4,940	5,446	506
FY 2020-21	1st Qtr	1,229	1,355	126
	2nd Qtr	885	976	91
	3rd Qtr	356	401	45
	Sub Total	2,470	2,731	261
Grand Total		10,071	11,095	1,023

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Quarterly Adjustments - 4th Qtr		FY 2017-18	
		4th Qtr	4th Qtr
EPP Adjustment			
EPP - 1st month of the Qtr			
Reference -		6.7227	6.7227
Actual		6.7587	6.7587
Variable O&M & Wind & Solar Adjustment		0.7536	0.7536
Net EPP		6.0051	6.0051
Disallowed & Deferred Cost		(0.0278)	(0.0278)
Fuel Price Adjustment Allowed		(0.6898)	(0.6898)
EPP - 2nd month of the Qtr			
Reference -		5.2908	5.2908
Actual		7.2998	7.2998
Variable O&M & Wind & Solar Adjustment		0.6690	0.6690
Net EPP		6.6308	6.6308
Disallowed & Deferred Cost		0.1188	0.1188
Fuel Price Adjustment Allowed		1.2212	1.2212
EPP - 3rd month of the Qtr			
Reference -		4.9927	4.9927
Actual		6.3491	6.3491
Variable O&M & Wind & Solar Adjustment		0.6241	0.6241
Net EPP		5.7250	5.7250
Disallowed & Deferred Cost		0.2239	0.2239
Fuel Price Adjustment Allowed		0.5084	0.5084

		Determined	PESCO	Variance
		4th Qtr	4th Qtr	4th Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			-
	Units Received (MkWh)	1,073	1,073	-
	Units to be sold (MkWh)	730	730	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	730	730	-
	Adjustment already given (Min Rs)	(504)	(504)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(740)	(740)	-
	Impact of disallowed & Deferred costs (Min Rs)	(30)	(30)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(236)	(236)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	(266)	(266)	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(236)	(236)	-
		(236)	(236)	-
				-
2nd month of the Qtr	2nd month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	1,292	1,292	-
	Units to be sold (MkWh)	879	879	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	879	849	30
	Adjustment already given (Min Rs)	1,073	1,037	36
	Adjustment that should have been with allowed costs only (Min Rs)	1,577	1,577	-
	Impact of disallowed & Deferred costs (Min Rs)	153	153	-
	Remaining adjustment for the quarter only allowed (Min Rs)	504	540	(36)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	557	694	(36)
	Impact of lifeline, from new reference	-	36	(36)
	Impact of losses from new reference	504	504	-
		504	540	(36)
				-
				-
3rd month of the Qtr	3rd month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	1,500	1,500	-
	Units to be sold (MkWh)	1,020	1,020	-
	Units without Life line (MkWh)	1,020	986	35
	Adjustment already given (Min Rs)	519	501	18
	Adjustment that should have been with allowed costs only (Min Rs)	762	762	-
	Impact of disallowed & Deferred costs (Min Rs)	335	336	-
	Remaining adjustment for the quarter (Min Rs)	244	261	(18)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	579	597	(18)
	Impact of lifeline, from new reference	-	18	(18)
	Impact of losses from new reference	244	244	-
		244	261	(18)
				-
				-
Total Adjustment on account of EPP allowed only (Min Rs)		511	565	(54)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		970	1,025	(54)
Impact of lifeline, from new reference		-	54	(54)
Impact of losses from new reference		511	511	-
		511	565	(54)

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2 of 12

Quarterly Adjustments - 1st Qtr

FY 2018-19

EPP Adjustment	1st Qtr	1st Qtr
EPP - 1st month of the Qtr		
Reference -	4.9811	4.9811
Actual	6.2839	6.2839
Variable O&M & Wind & Solar Adjustment	1.1599	1.1599
Net EPP	5.1240	5.1240
Disallowed & Deferred Cost	(0.2096)	(0.2096)
Fuel Price Adjustment Allowed	0.3525	0.3525
EPP - 2nd month of the Qtr		
Reference -	4.7552	4.7552
Actual	6.6406	6.6406
Variable O&M & Wind & Solar Adjustment	0.9351	0.9351
Net EPP	5.7054	5.7054
Disallowed & Deferred Cost	(0.2133)	(0.2133)
Fuel Price Adjustment Allowed	1.1635	1.1635
EPP - 3rd month of the Qtr		
Reference -	5.1217	5.1217
Actual	6.2444	6.2444
Variable O&M & Wind & Solar Adjustment	0.7545	0.7545
Net EPP	5.4898	5.4898
Disallowed & Deferred Cost	0.1682	0.1682
Fuel Price Adjustment Allowed	0.1999	0.1999

	Determined	PESCO	Variance
	1st Qtr	1st Qtr	1st Qtr
Target Losses for the quarter	31.95%	31.95%	-
1st month of the Qtr			
Units Received (MkWh)	1,536	1,536	-
Units to be sold (MkWh)	1,045	1,045	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,045	1,010	36
Adjustment already given (Mln Rs)	368	356	13
Adjustment that should have been with allowed costs only (Mln Rs)	541	541	-
Impact of disallowed & Deferred costs (Mln Rs)	(322)	(322)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	173	186	(13)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(149)	(136)	(13)
Impact of lifeline, from new reference	-	13	(13)
Impact of losses from new reference	173	173	-
	173	186	(13)
2nd month of the Qtr	31.95%	31.95%	-
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	1,563	1,563	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,063	1,063	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,063	1,027	36
Adjustment already given (Mln Rs)	1,237	1,195	42
Adjustment that should have been with allowed costs only (Mln Rs)	1,818	1,818	-
Impact of disallowed & Deferred costs (Mln Rs)	(333)	(333)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	581	623	(42)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	248	290	(42)
Impact of lifeline, from new reference	-	42	(42)
Impact of losses from new reference	581	581	-
	581	623	(42)
3rd month of the Qtr	31.95%	31.95%	-
Units Received (MkWh)	1,361	1,361	-
Units to be sold (MkWh)	926	926	-
Units without Life line (MkWh)	926	895	31
Adjustment already given (Mln Rs)	185	179	6
Adjustment that should have been with allowed costs only (Mln Rs)	272	272	-
Impact of disallowed & Deferred costs (Mln Rs)	229	229	-
Remaining adjustment for the quarter (Mln Rs)	87	93	(6)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	316	322	(6)
Impact of lifeline, from new reference	-	6	(6)
Impact of losses from new reference	87	87	-
	87	93	(6)
Total Adjustment on account of EPP allowed only (Mln Rs)	841	902	(61)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	415	475	(61)
Impact of lifeline, from new reference	-	61	(61)
Impact of losses from new reference	841	841	-
	841	902	(61)

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Quarterly Adjustments - 2nd Qtr

FY 2018-19

EPP Adjustment	2nd Qtr	2nd Qtr
EPP - 1st month of the Qtr		
Reference -		
Actual	5.2366	5.2366
Variable O&M & Wind & Solar Adjustment	5.7897	5.7897
Net EPP	0.4869	0.4869
Disallowed & Deferred Cost	5.3027	5.3027
Fuel Price Adjustment Allowed	(0.4080)	(0.4080)
	0.4741	0.4741
EPP - 2nd month of the Qtr		
Reference -		
Actual	5.0497	5.0497
Variable O&M & Wind & Solar Adjustment	5.1861	5.1861
Net EPP	0.5530	0.5530
Disallowed & Deferred Cost	4.6331	4.6331
Fuel Price Adjustment Allowed	(0.0938)	(0.0938)
	(0.3228)	(0.3228)
EPP - 3rd month of the Qtr		
Reference -		
Actual	5.8619	5.8619
Variable O&M & Wind & Solar Adjustment	6.6052	6.6052
Net EPP	0.7790	0.7790
Disallowed & Deferred Cost	5.8261	5.8261
Fuel Price Adjustment Allowed	(0.6043)	(0.6043)
	0.5685	0.5685

	Determined	PESCO	Variance
	2nd Qtr	2nd Qtr	2nd Qtr
1st month of the Qtr	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qtr			
Units Received (MkWh)	1,006	1,006	-
Units to be sold (MkWh)	685	685	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	685	661	23
Adjustment already given (Mln Rs)	325	314	11
Adjustment that should have been with allowed costs only (Mln Rs)	477	477	-
Impact of disallowed & Deferred costs (Mln Rs)	(410)	(410)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	152	163	(11)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(258)	(247)	(11)
Impact of lifeline, from new reference	-	11	(11)
Impact of losses from new reference	152	152	-
	152	163	(11)
2nd month of the Qtr	31.95%	31.95%	-
2nd month of the Qtr			
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	948	948	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	645	645	-
Adjustment already given (Mln Rs)	645	645	-
Adjustment that should have been with allowed costs only (Mln Rs)	(208)	(208)	-
Impact of disallowed & Deferred costs (Mln Rs)	(306)	(306)	-
Impact of disallowed & Deferred costs (Mln Rs)	(89)	(89)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	(98)	(98)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(187)	(187)	-
Impact of lifeline, from new reference	-	-	0
Impact of losses from new reference	(98)	(98)	-
	(98)	(98)	-
3rd month of the Qtr	31.95%	31.95%	-
3rd month of the Qtr			
Units Received (MkWh)	1,079	1,079	-
Units to be sold (MkWh)	734	734	-
Units without Life line (MkWh)	734	709	25
Adjustment already given (Mln Rs)	417	403	14
Adjustment that should have been with allowed costs only (Mln Rs)	613	613	-
Impact of disallowed & Deferred costs (Mln Rs)	(652)	(652)	-
Remaining adjustment for the quarter (Mln Rs)	196	210	(14)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(456)	(442)	(14)
Impact of lifeline, from new reference	-	14	(14)
Impact of losses from new reference	196	196	-
	196	210	(14)
Total Adjustment on account of EPP allowed only (Mln Rs)	251	276	(25)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	(901)	(876)	(25)
Impact of lifeline, from new reference	-	25	(25)
Impact of losses from new reference	251	251	-
	251	276	(25)

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Quarterly Adjustments - 3rd Qrt

FY 2018-19

EPP Adjustment	3rd Qrt	3rd Qrt
EPP - 1st month of the Qrt		
Reference -	5.7576	5.7576
Actual	7.7395	7.7395
Variable O&M & Wind & Solar Adjustment	0.8549	0.8549
Net EPP	6.8846	6.8846
Disallowed & Deferred Cost	(0.6786)	(0.6786)
Fuel Price Adjustment Allowed	1.8056	1.8056
EPP - 2nd month of the Qrt		
Reference -	3.9710	3.9710
Actual	5.7718	5.7718
Variable O&M & Wind & Solar Adjustment	1.0948	1.0948
Net EPP	4.6770	4.6770
Disallowed & Deferred Cost	(0.1030)	(0.1030)
Fuel Price Adjustment Allowed	0.8090	0.8090
EPP - 3rd month of the Qrt		
Reference -	5.0010	5.0010
Actual	6.7329	6.7329
Variable O&M & Wind & Solar Adjustment	0.9943	0.9943
Net EPP	5.7386	5.7386
Disallowed & Deferred Cost	0.7748	0.7748
Fuel Price Adjustment Allowed	(0.0372)	(0.0372)

	Determined	PESCO	Variance
	3rd Qtr	3rd Qtr	3rd Qtr
1st month of the Qrt	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qrt			
Units Received (MkWh)	1,140	1,140	-
Units to be sold (MkWh)	776	776	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	776	739	37
Adjustment already given (Mln Rs)	1,401	1,334	67
Adjustment that should have been with allowed costs only (Mln Rs)	2,059	2,059	-
Impact of disallowed & Deferred costs (Mln Rs)	(774)	(774)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	658	725	(67)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(116)	(49)	(67)
Impact of lifeline, from new reference	-	67	(67)
Impact of losses from new reference	658	658	-
	658	725	(67)
2nd month of the Qrt	31.95%	31.95%	-
2nd month of the Qrt	62.13	62.13	-
Units Received (MkWh)	971	971	-
Units to be sold (MkWh)	661	661	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	661	629	32
Adjustment already given (Mln Rs)	535	509	26
Adjustment that should have been with allowed costs only (Mln Rs)	786	786	-
Impact of disallowed & Deferred costs (Mln Rs)	(100)	(100)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	251	277	(26)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	151	177	(26)
Impact of lifeline, from new reference	-	26	(26)
Impact of losses from new reference	251	251	-
	251	277	(26)
3rd month of the Qrt	31.95%	31.95%	-
3rd month of the Qrt	969	969	-
Units Received (MkWh)	659	659	-
Units to be sold (MkWh)	659	659	-
Units without Life line (MkWh)	(25)	(25)	-
Adjustment already given (Mln Rs)	(25)	(25)	-
Adjustment that should have been with allowed costs only (Mln Rs)	(36)	(36)	-
Impact of disallowed & Deferred costs (Mln Rs)	751	751	-
Remaining adjustment for the quarter (Mln Rs)	(12)	(12)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	739	739	-
Impact of lifeline, from new reference	-	-	-
Impact of losses from new reference	(12)	(12)	-
	(12)	(12)	-
Total Adjustment on account of EPP allowed only (Mln Rs)	897	990	(93)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	774	867	(93)
Impact of lifeline, from new reference	-	93	(93)
Impact of losses from new reference	897	897	-
	897	990	(93)

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Quarterly Adjustments - 4th Qrt

FY 2018-19

EPP Adjustment	4th Qrt	4th Qrt
EPP - 1st month of the Qrt		
Reference -	5.2359	5.2359
Actual	6.4134	6.4134
Variable O&M & Wind & Solar Adjustment	1.1944	1.1944
Net EPP	5.2190	5.2190
Disallowed & Deferred Cost	(0.5677)	(0.5677)
Fuel Price Adjustment Allowed	0.5508	0.5508
EPP - 2nd month of the Qrt		
Reference -	5.0457	5.0457
Actual	5.9254	5.9254
Variable O&M & Wind & Solar Adjustment	1.0596	1.0596
Net EPP	4.8658	4.8658
Disallowed & Deferred Cost	(0.2798)	(0.2798)
Fuel Price Adjustment Allowed	0.0999	0.0999
EPP - 3rd month of the Qrt		
Reference -	5.1130	5.1130
Actual	7.2445	7.2445
Variable O&M & Wind & Solar Adjustment	1.0457	1.0457
Net EPP	6.1988	6.1988
Disallowed & Deferred Cost	1.2166	1.2166
Fuel Price Adjustment Allowed	(0.1308)	(0.1308)

	Determined	PESCO	Variance
	4th Qrt	4th Qrt	4th Qrt
1st month of the Qrt	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qrt			
Units Received (MkWh)	1,015	1,015	-
Units to be sold (MkWh)	691	691	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	691	658	33
Adjustment already given (Mln Rs)	381	362	18
Adjustment that should have been with allowed costs only (Mln Rs)	559	559	-
Impact of disallowed & Deferred costs (Mln Rs)	(576)	(576)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	179	197	(18)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(398)	(379)	(18)
Impact of lifeline, from new reference	-	18	(18)
Impact of losses from new reference	179	179	-
	179	197	(18)
2nd month of the Qrt	31.95%	31.95%	-
2nd month of the Qrt			
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	1,378	1,378	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	938	938	-
Adjustment already given (Mln Rs)	938	893	45
Adjustment that should have been with allowed costs only (Mln Rs)	94	89	5
Impact of disallowed & Deferred costs (Mln Rs)	138	138	-
Impact of disallowed & Deferred costs (Mln Rs)	(386)	(386)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	44	48	(5)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(342)	(337)	(5)
Impact of lifeline, from new reference	-	5	(5)
Impact of losses from new reference	44	44	-
	44	48	(5)
3rd month of the Qrt	31.95%	31.95%	-
3rd month of the Qrt			
Units Received (MkWh)	1,461	1,461	-
Units to be sold (MkWh)	994	994	-
Units without Life line (MkWh)	994	994	-
Adjustment already given (Mln Rs)	(130)	(130)	-
Adjustment that should have been with allowed costs only (Mln Rs)	(191)	(191)	-
Impact of disallowed & Deferred costs (Mln Rs)	1,777	1,777	-
Remaining adjustment for the quarter (Mln Rs)	(61)	(61)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	1,716	1,716	-
Impact of lifeline, from new reference	-	-	-
Impact of losses from new reference	(61)	(61)	-
	(61)	(61)	-
Total Adjustment on account of EPP allowed only (Mln Rs)	162	184	(23)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	977	1,000	(23)
Impact of lifeline, from new reference	-	23	(23)
Impact of losses from new reference	162	162	-
	162	184	(23)

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Quarterly Adjustments - 1st Qrt

FY 2019-20

EPP Adjustment	1st Qrt	1st Qrt
EPP - 1st month of the Qrt		
Reference -	3.5420	3.5420
Actual	6.7020	6.7020
Variable O&M & Wind & Solar Adjustment	1.2656	1.2656
Net EPP	5.4364	5.4364
Disallowed & Deferred Cost	0.1145	0.1145
Fuel Price Adjustment Allowed	1.7799	1.7799
EPP - 2nd month of the Qrt		
Reference -	3.2045	3.2045
Actual	6.3213	6.3213
Variable O&M & Wind & Solar Adjustment	1.1307	1.1307
Net EPP	5.1907	5.1907
Disallowed & Deferred Cost	0.3247	0.3247
Fuel Price Adjustment Allowed	1.6615	1.6615
EPP - 3rd month of the Qrt		
Reference -	2.8410	2.8410
Actual	6.8822	6.8822
Variable O&M & Wind & Solar Adjustment	0.8176	0.8176
Net EPP	6.0646	6.0646
Disallowed & Deferred Cost	1.3970	1.3970
Fuel Price Adjustment Allowed	1.8266	1.8266

	Determined	PESCO	Variance
	1st Qrt	1st Qrt	1st Qrt
1st month of the Qrt	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qrt			
Units Received (MkWh)	1,617	1,617	-
Units to be sold (MkWh)	1,100	1,100	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,100	1,047	53
Adjustment already given (Mln Rs)	1,958	1,864	94
Adjustment that should have been with allowed costs only (Mln Rs)	2,877	2,877	-
Impact of disallowed & Deferred costs (Mln Rs)	185	185	-
Remaining adjustment for the quarter only allowed (Mln Rs)	919	1,013	(94)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	1,104	1,199	(94)
Impact of lifeline, from new reference	-	94	(94)
Impact of losses from new reference	919	919	-
	919	1,013	(94)
2nd month of the Qrt	31.95%	31.95%	-
2nd month of the Qrt			
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	1,613	1,613	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,098	1,098	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,098	1,045	53
Adjustment already given (Mln Rs)	1,824	1,736	88
Adjustment that should have been with allowed costs only (Mln Rs)	2,681	2,681	-
Impact of disallowed & Deferred costs (Mln Rs)	524	524	-
Remaining adjustment for the quarter only allowed (Mln Rs)	856	944	(88)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	1,380	1,468	(88)
Impact of lifeline, from new reference	-	88	(88)
Impact of losses from new reference	856	856	-
	856	944	(88)
3rd month of the Qrt	31.95%	31.95%	-
3rd month of the Qrt			
Units Received (MkWh)	1,537	1,537	-
Units to be sold (MkWh)	1,046	1,046	-
Units without Life line (MkWh)	1,046	996	50
Adjustment already given (Mln Rs)	1,911	1,819	92
Adjustment that should have been with allowed costs only (Mln Rs)	2,808	2,808	-
Impact of disallowed & Deferred costs (Mln Rs)	2,148	2,148	-
Remaining adjustment for the quarter (Mln Rs)	897	989	(92)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	3,045	3,137	(92)
Impact of lifeline, from new reference	-	92	(92)
Impact of losses from new reference	897	897	-
	897	989	(92)
Total Adjustment on account of EPP allowed only (Mln Rs)	2,673	2,947	(274)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	5,529	5,803	(274)
Impact of lifeline, from new reference	-	274	(274)
Impact of losses from new reference	2,673	2,673	-
	2,673	2,947	(274)

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Quarterly Adjustments - 2nd Qrt		FY 2019-20	
EPP Adjustment		2nd Qrt	2nd Qrt
EPP - 1st month of the Qrt			
Reference -		3,7579	3,7579
Actual -		5,9953	5,9953
Variable O&M & Wind & Solar Adjustment		0,7586	0,7586
Net EPP		5,2367	5,2367
Disallowed & Deferred Cost		(0,0868)	(0,0868)
Fuel Price Adjustment Allowed		1,5656	1,5656
EPP - 2nd month of the Qrt			
Reference -		2,4877	2,4877
Actual -		4,5448	4,5448
Variable O&M & Wind & Solar Adjustment		0,9453	0,9453
Net EPP		3,5995	3,5995
Disallowed & Deferred Cost		0,1294	0,1294
Fuel Price Adjustment Allowed		0,9824	0,9824
EPP - 3rd month of the Qrt			
Reference -		4,4602	4,4602
Actual -		7,1770	7,1770
Variable O&M & Wind & Solar Adjustment		0,8954	0,8954
Net EPP		6,2816	6,2816
Disallowed & Deferred Cost		(0,0565)	(0,0565)
Fuel Price Adjustment Allowed		1,8779	1,8779

		Determined	PESCO	Variance
		2nd Qrt	2nd Qrt	2nd Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,057	1,057	-
	Units to be sold (MkWh)	719	719	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	719	685	35
	Adjustment already given (Min Rs)	1,126	1,072	54
	Adjustment that should have been with allowed costs only (Min Rs)	1,655	1,655	-
	Impact of disallowed & Deferred costs (Min Rs)	(92)	(92)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	529	583	(54)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	437	491	(54)
	Impact of lifeline, from new reference	-	54	(54)
	Impact of losses from new reference	529	529	-
		529	583	(54)
				-
2nd month of the Qrt	2nd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	62.13	62.13	-
	Units to be sold (MkWh)	923	923	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	628	628	-
	Adjustment already given (Min Rs)	628	598	30
	Adjustment that should have been with allowed costs only (Min Rs)	617	587	30
	Impact of disallowed & Deferred costs (Min Rs)	907	907	-
	Impact of disallowed & Deferred costs (Min Rs)	119	119	-
	Remaining adjustment for the quarter only allowed (Min Rs)	290	319	(30)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	409	439	(30)
	Impact of lifeline, from new reference	-	30	(30)
	Impact of losses from new reference	290	290	-
		290	319	(30)
				-
3rd month of the Qrt	3rd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	1,078	1,078	-
	Units to be sold (MkWh)	734	734	-
	Units without Life line (MkWh)	734	698	35
	Adjustment already given (Min Rs)	1,378	1,311	66
	Adjustment that should have been with allowed costs only (Min Rs)	2,024	2,024	-
	Impact of disallowed & Deferred costs (Min Rs)	(61)	(61)	-
	Remaining adjustment for the quarter (Min Rs)	647	713	(66)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	586	652	(66)
	Impact of lifeline, from new reference	-	66	(66)
	Impact of losses from new reference	647	647	-
		647	713	(66)
				-
				-
Total Adjustment on account of EPP allowed only (Min Rs)		1,465	1,615	(150)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		1,432	1,582	(150)
Impact of lifeline, from new reference		-	150	(150)
Impact of losses from new reference		1,465	1,465	-
		1,465	1,615	(150)

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Quarterly Adjustments - 3rd Qrt

FY 2019-20

EPP Adjustment	3rd Qrt	3rd Qrt
EPP - 1st month of the Qrt		
Reference -	5.7576	5.7576
Actual	7.0922	7.0922
Variable O&M & Wind & Solar Adjustment	1.0003	1.0003
Net EPP	6.0918	6.0918
Disallowed & Deferred Cost	(0.7766)	(0.7766)
Fuel Price Adjustment Allowed	1.1108	1.1108
EPP - 2nd month of the Qrt		
Reference -	3.9710	3.9710
Actual	5.4285	5.4285
Variable O&M & Wind & Solar Adjustment	1.0526	1.0526
Net EPP	4.3759	4.3759
Disallowed & Deferred Cost	(0.8002)	(0.8002)
Fuel Price Adjustment Allowed	1.2051	1.2051
EPP - 3rd month of the Qrt		
Reference -	5.0010	5.0010
Actual	5.1091	5.1091
Variable O&M & Wind & Solar Adjustment	0.8941	0.8941
Net EPP	4.2150	4.2150
Disallowed & Deferred Cost	(0.8929)	(0.8929)
Fuel Price Adjustment Allowed	0.1069	0.1069

	Determined	PESCO	Variance
	3rd Qrt	3rd Qrt	3rd Qrt
1st month of the Qrt	31.95%	31.95%	-
Target Losses for the quarter			-
1st month of the Qrt			-
Units Received (MkWh)	1,144	1,144	-
Units to be sold (MkWh)	778	778	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	778	741	37
Adjustment already given (Min Rs)	864	823	42
Adjustment that should have been with allowed costs only (Min Rs)	1,270	1,270	-
Impact of disallowed & Deferred costs (Min Rs)	(888)	(888)	-
Remaining adjustment for the quarter only allowed (Min Rs)	406	447	(42)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(482)	(441)	(42)
Impact of lifeline, from new reference	-	42	(42)
Impact of losses from new reference	406	406	-
	406	447	(42)
2nd month of the Qrt	31.95%	31.95%	-
2nd month of the Qrt	62.13	62.13	-
Units Received (MkWh)	944	944	-
Units to be sold (MkWh)	643	643	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	643	612	31
Adjustment already given (Min Rs)	774	737	37
Adjustment that should have been with allowed costs only (Min Rs)	1,138	1,138	-
Impact of disallowed & Deferred costs (Min Rs)	(756)	(756)	-
Remaining adjustment for the quarter only allowed (Min Rs)	364	401	(37)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(392)	(355)	(37)
Impact of lifeline, from new reference	-	37	(37)
Impact of losses from new reference	364	364	-
	364	401	(37)
3rd month of the Qrt	31.95%	31.95%	-
3rd month of the Qrt	942	942	-
Units Received (MkWh)	641	641	-
Units to be sold (MkWh)	641	610	31
Units without Life line (MkWh)	69	65	3
Adjustment already given (Min Rs)	101	101	-
Adjustment that should have been with allowed costs only (Min Rs)	(841)	(841)	-
Impact of disallowed & Deferred costs (Min Rs)	32	35	(3)
Remaining adjustment for the quarter (Min Rs)	(809)	(805)	(3)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net			
Impact of lifeline, from new reference	-	3	(3)
Impact of losses from new reference	32	32	-
	32	35	(3)
Total Adjustment on account of EPP allowed only (Min Rs)	802	884	(82)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)	(1,683)	(1,601)	(82)
Impact of lifeline, from new reference	-	82	(82)
Impact of losses from new reference	802	802	-
	802	884	(82)

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Quarterly Adjustments - 1st Qrt		FY 2020-21	
		1st Qrt	1st Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		3.5420	3.5420
Actual :		4.6385	4.6385
Variable O&M & Wind & Solar Adjustment		0.9255	0.9255
Net EPP		3.7130	3.7130
Disallowed & Deferred Cost		(0.6666)	(0.6666)
Fuel Price Adjustment Allowed		0.8376	0.8376
EPP - 2nd month of the Qrt			
Reference -		3.2045	3.2045
Actual		5.2465	5.2465
Variable O&M & Wind & Solar Adjustment		0.9223	0.9223
Net EPP		4.3242	4.3242
Disallowed & Deferred Cost		0.6369	0.6369
Fuel Price Adjustment Allowed		0.4828	0.4828
EPP - 3rd month of the Qrt			
Reference -		2.8410	2.8410
Actual :		5.0709	5.0709
Variable O&M & Wind & Solar Adjustment		0.7407	0.7407
Net EPP		4.3303	4.3303
Disallowed & Deferred Cost		0.3755	0.3755
Fuel Price Adjustment Allowed		1.1138	1.1138

		Determined	PESCO	Variance
		1st Qrt	1st Qrt	1st Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,748	1,748	-
	Units to be sold (MkWh)	1,190	1,190	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,190	1,132	57
	Adjustment already given (Min Rs)	996	949	48
	Adjustment that should have been with allowed costs only (Min Rs)	1,464	1,464	-
	Impact of disallowed & Deferred costs (Min Rs)	(1,165)	(1,165)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	468	516	(48)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	(698)	(650)	(48)
	Impact of lifeline, from new reference	-	48	(48)
	Impact of losses from new reference	468	468	-
		468	516	(48)
		-	-	-
2nd month of the Qrt		31.95%	31.95%	-
	2nd month of the Qrt	62.13	62.13	-
	Units Received (MkWh)	1,762	1,762	-
	Units to be sold (MkWh)	1,199	1,199	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,199	1,141	58
	Adjustment already given (Min Rs)	579	551	28
	Adjustment that should have been with allowed costs only (Min Rs)	851	851	-
	Impact of disallowed & Deferred costs (Min Rs)	1,122	1,122	-
	Remaining adjustment for the quarter only allowed (Min Rs)	272	300	(28)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	1,394	1,422	(28)
				0
	Impact of lifeline, from new reference	-	28	(28)
	Impact of losses from new reference	272	272	-
		272	300	(28)
3rd month of the Qrt		31.95%	31.95%	-
	3rd month of the Qrt			-
	Units Received (MkWh)	1,374	1,374	-
	Units to be sold (MkWh)	935	935	-
	Units without Life line (MkWh)	935	890	45
	Adjustment already given (Min Rs)	1,042	992	50
	Adjustment that should have been with allowed costs only (Min Rs)	1,531	1,531	-
	Impact of disallowed & Deferred costs (Min Rs)	516	516	-
	Remaining adjustment for the quarter (Min Rs)	489	539	(50)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Min Rs) Net	1,005	1,055	(50)
	Impact of lifeline, from new reference	-	50	(50)
	Impact of losses from new reference	489	489	-
		489	539	(50)
Total Adjustment on account of EPP allowed only (Min Rs)		1,229	1,355	(126)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		1,702	1,827	(126)
Impact of lifeline, from new reference		-	126	(126)
Impact of losses from new reference		1,229	1,229	-
		1,229	1,355	(126)

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Quarterly Adjustments - 2nd Qrt

FY 2020-21

EPP Adjustment	2nd Qrt	2nd Qrt
EPP - 1st month of the Qrt		
Reference -	3.7579	3.7579
Actual	4.9668	4.9668
Variable O&M & Wind & Solar Adjustment	0.8845	0.8845
Net EPP	4.0824	4.0824
Disallowed & Deferred Cost	0.0320	0.0320
Fuel Price Adjustment Allowed	0.2925	0.2925
EPP - 2nd month of the Qrt		
Reference -	2.4877	2.4877
Actual	4.4968	4.4968
Variable O&M & Wind & Solar Adjustment	0.9298	0.9298
Net EPP	3.5669	3.5669
Disallowed & Deferred Cost	0.3096	0.3096
Fuel Price Adjustment Allowed	0.7696	0.7696
EPP - 3rd month of the Qrt		
Reference -	4.4602	4.4602
Actual	6.3776	6.3776
Variable O&M & Wind & Solar Adjustment	1.0530	1.0530
Net EPP	5.3246	5.3246
Disallowed & Deferred Cost	(0.6715)	(0.6715)
Fuel Price Adjustment Allowed	1.5359	1.5359

	Determined 2nd Qrt	PESCO 2nd Qrt	Variance 2nd Qrt
1st month of the Qrt	31.95%	31.95%	-
Target: Losses for the quarter			-
1st month of the Qrt			-
Units Received (MkWh)	1,106	1,106	-
Units to be sold (MkWh)	753	753	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	753	717	36
Adjustment already given (Mln Rs)	220	210	11
Adjustment that should have been with allowed costs only (Mln Rs)	324	324	-
Impact of disallowed & Deferred costs (Mln Rs)	35	35	-
Remaining adjustment for the quarter only allowed (Mln Rs)	103	114	(21)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	139	149	(11)
Impact of lifeline, from new reference	-	11	(11)
Impact of losses from new reference	103	103	-
	103	114	(11)
2nd month of the Qrt	31.95%	31.95%	-
2nd month of the Qrt	62.13	62.13	-
Units Received (MkWh)	965	965	-
Units to be sold (MkWh)	657	657	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	657	625	32
Adjustment already given (Mln Rs)	505	481	24
Adjustment that should have been with allowed costs only (Mln Rs)	743	743	-
Impact of disallowed & Deferred costs (Mln Rs)	299	299	-
Remaining adjustment for the quarter only allowed (Mln Rs)	237	262	(24)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	536	560	(24)
Impact of lifeline, from new reference	-	24	(24)
Impact of losses from new reference	237	237	-
	237	262	(24)
3rd month of the Qrt	31.95%	31.95%	-
3rd month of the Qrt	1,110	1,110	-
Units Received (MkWh)	755	755	-
Units to be sold (MkWh)	755	719	36
Units without Life line (MkWh)	1,160	1,104	56
Adjustment already given (Mln Rs)	1,704	1,704	-
Adjustment that should have been with allowed costs only (Mln Rs)	(745)	(745)	-
Impact of disallowed & Deferred costs (Mln Rs)	544	600	(56)
Remaining adjustment for the quarter (Mln Rs)	(201)	(145)	(56)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net			
Impact of lifeline, from new reference	-	56	(56)
Impact of losses from new reference	544	544	-
	544	600	(56)
Total Adjustment on account of EPP allowed only (Mln Rs)	885	976	(91)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	474	565	(91)
Impact of lifeline, from new reference	-	91	(91)
Impact of losses from new reference	885	885	-
	885	976	(91)

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Quarterly Adjustments - 3rd Qrt		FY 2020-21	
		3rd Qrt	3rd Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		5.7576	5.7576
Actual		7.0899	7.0899
Variable O&M & Wind & Solar Adjustment		0.9571	0.9571
Net EPP		6.1328	6.1328
Disallowed & Deferred Cost		(0.5202)	(0.5202)
Fuel Price Adjustment Allowed		0.8954	0.8954
EPP - 2nd month of the Qrt			
Reference -		4.1414	4.1414
Actual		5.5444	5.5444
Variable O&M & Wind & Solar Adjustment		0.8028	0.8028
Net EPP		4.7415	4.7415
Disallowed & Deferred Cost		(0.0415)	(0.0415)
Fuel Price Adjustment Allowed		0.6416	0.6416
EPP - 3rd month of the Qrt			
Reference -		6.2295	6.2295
Actual		6.6754	6.6754
Variable O&M & Wind & Solar Adjustment		0.9162	0.9162
Net EPP		5.7593	5.7593
Disallowed & Deferred Cost		0.1732	0.1732
Fuel Price Adjustment Allowed		(0.6434)	(0.6434)

		Determined 3rd Qrt	PESCO 3rd Qrt	Variance 3rd Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt	-	-	-
	Units Received (MkWh)	1,162	1,162	-
	Units to be sold (MkWh)	790	790	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	790	752	38
	Adjustment already given (Mln Rs)	708	674	34
	Adjustment that should have been with allowed costs only (Mln Rs)	1,040	1,040	-
	Impact of disallowed & Deferred costs (Mln Rs)	(604)	(604)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	332	366	(34)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	(272)	(238)	(34)
	Impact of lifeline, from new reference	-	34	(34)
	Impact of losses from new reference	332	332	-
		332	366	(34)
		-	-	-
2nd month of the Qrt		25.50%	25.50%	-
	2nd month of the Qrt	62.13	62.13	-
	Units Received (MkWh)	989	989	-
	Units to be sold (MkWh)	737	737	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	737	720	17
	Adjustment already given (Mln Rs)	473	462	11
	Adjustment that should have been with allowed costs only (Mln Rs)	634	634	-
	Impact of disallowed & Deferred costs (Mln Rs)	(41)	(41)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	162	172	(11)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	121	131	(11)
	Impact of lifeline, from new reference	-	11	(11)
	Impact of losses from new reference	162	162	-
		162	172	(11)
		-	-	-
3rd month of the Qrt	3rd month of the Qrt	21.33%	21.33%	-
	Units Received (MkWh)	1,005	1,005	-
	Units to be sold (MkWh)	791	791	-
	Units without Life line (MkWh)	791	791	-
	Adjustment already given (Mln Rs)	(509)	(509)	-
	Adjustment that should have been with allowed costs only (Mln Rs)	(647)	(647)	-
	Impact of disallowed & Deferred costs (Mln Rs)	174	174	-
	Remaining adjustment for the quarter (Mln Rs)	(138)	(138)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost(Mln Rs) Net	36	36	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(138)	(138)	-
		(138)	(138)	-
		-	-	-
		-	-	-
Total Adjustment on account of EPP allowed only (Mln Rs)		356	401	(45)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)		(115)	(70)	(45)
Impact of lifeline, from new reference		-	45	(45)
Impact of losses from new reference		356	356	-
		356	401	(45)

**PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED**

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR
Dated: 17/09/2022

No: 17/09/2022 /FD/PESCO/CP&C

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
ISLAMABAD.

Subject: **IMPACT OF INCREMENTAL UNITS OF INDUSTRIAL SUPPORT PACKAGE (ISP) FOR
FY 2020-21 AND WINTER INCENTIVE PACKAGE (WIP) FOR FY 2021-22 ON
CAPACITY CHARGES FOR PERIODIC ADJUSTMENTS IN TARIFF.**

Reference: This office letter No. 7757 dated 07-02-2022.

In continuation to the letter under reference and in compliance of the directions of the Authority given in the 4th Quarter Adjustment hearing held on 06-09-2022, your kind attention is invited towards the NEPRA Decisions in the matter of request filed by PESCO for Periodic Quarterly Adjustments in Tariff, wherein the Authority has not considered/ allowed the impact of Incremental Units of ISP for FY 2020-21 (Nov-20 to Jun-21) and Incremental units of Winter Incentive Package for the 2nd Quarter (Jan-Feb) of FY 2021-22 on Capacity Charges, Variable O&M and Use of System Charges.

Moreover, the adjustment on account of Incremental consumption in respect of PESCO as per the transfer pricing mechanism notified vide SRO No. 190(I)/2021 dated 12-02-2021, the Industrial Support Package as notified vide SRO No. 1292(I)/2020 dated 03-12-2020, and the Winter Incentive Package as notified vide SRO No. 1418(I)/2021 dated 05-11-2021 consequent upon the determination of the Authority in respect of PESCO dated 11-12-2020, 14-12-2020, its determination dated 01-12-2020 for Industrial Support Package for Additional Consumption and Abolishment of Time of Use Tariff Scheme for Industrial Consumers and determination dated 03-11-2021 in respect of Winter Incentive Package for Electricity Consumers on Incremental Consumption, respectively, the said impact of incremental units of ISP and Winter Incentive Package is pending, resulting in the shortfall of **Rs. 1,414 Million** for the period of FY 2020-21 (Nov-20 to Jun-21) and **Rs. 434 Million** for the 2nd Quarter (Nov-21 & Dec-21) of FY 2021-22 respectively.

Furthermore, an amount of **Rs. 16 Million** for the 3rd Quarter (Jan-22 & Feb-22) is calculated as the arrear claim of Winter Incentive Package on account of difference in the units of incremental units between PESCO's MIS report and the units considered by NEPRA. The requisite sheets of MIS report are attached at **Annex-A** and the detailed monthly working is attached at **Annex-B** for your kind consideration.

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The yearly detail of pending/ unrecovered costs on account of incremental consumption as per the requests filed by PESCO is as under:

Rs. In Million

Description	FY 2020-21	FY 2021-22		Total
	Claim of ISP Incremental Units	Claim of WIP (2nd Qtr)	Differential Claim of WIP (3rd Qtr)	
Impact of Variable O&M	190	32	2	224
Impact of CPP	3,469	869	31	4,369
UoSC Adjustment	196	39	1	236
Recovery on Incremental Units	(2,441)	(505)	(17)	(2,964)
Required Adjustment for the Quarter	1,414	434	16	1,865

Keeping foregoing in view, it is requested to kindly allow the adjustment of Incremental Units, amounting to **Rs. 1,865 Million** in the matter of Industrial consumers on account of incremental consumption Adjustment in the forthcoming decision of Quarterly Adjustment for 4th Quarter of FY 2021-22 as per notified transfer pricing mechanism please.


FINANCE DIRECTOR
PESCO PESHAWAR

Cc to:

- Chief Financial Officer, PPMC, Evacuee Trust Complex, Islamabad.
- Chief Financial Officer, CPPA-G, Islamabad.

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Pending Claims of Incremental Units in Quarterly Adjustments

DESCRIPTION	FY 2020-21				FY 2021-22			Total
	Claim of ISP Units (2nd Qtr)	Claim of ISP Units (3rd Qtr)	Claim of ISP Units (4th Qtr)	Sub Total	Claim of WIP (2nd Qtr)	Differential Claim of WIP (3rd Qtr)	Sub Total	
Impact of T&D Losses	-	-	-	-	-	-	-	-
Impact of Variable O&M	51	73	66	190	32	2	33	224
Impact of CPP	1,025	1,483	961	3,469	869	31	900	4,369
UoSC ADJUSTMENT	62	77	57	196	39	1	40	236
Recovery on Incremental Units	(993)	(837)	(611)	(2,441)	(505)	(17)	(522)	(2,964)
Required Adjustment for the Quarter	145	797	473	1,414	434	16	451	1,865

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PROCESSING DATE: 10-12-21 6:13:36pm
OLD RATE

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 11-2021
FINANCIAL YEAR: 2021/2022

PAGE #: 1

PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				VAR. CHARGES	ADJ. VAR. CHR	CLAIM		TOTAL RELIEF
					GOP	UML	SUBSIDY	AQTA			AQTA	ADJ. AQTA	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=9T011
DOMESTIC													
A-1a(01)													
300-700 UNITS		34,699,358	25,547,465	9,151,892	19.55	12.96	6.59	1.65	60,310,970.06		15,100,622.25		75,411,592.30
ABOVE 700 UNITS		3,994,857	171,205	3,823,652	22.65	12.96	9.69	1.65	37,051,185.55		6,309,025.40		43,360,210.96
A-1b(03)T													
PEAK		1,099,043	675,959	423,084	22.65	12.96	9.69	1.65	4,099,682.22		698,088.30		4,797,770.52
OFF PEAK	12,866	4,681,928	3,065,258	1,616,670	16.33	12.96	3.37	1.65	5,448,179.08		2,667,506.08		8,115,685.16
COMMERCIAL													
A-2a(04)													
	92,904	10,721,310	6,276,920	4,444,390	19.95	12.96	6.99	1.13	31,066,287.29		5,022,160.89		36,088,448.18
A-2b(05)													
	2	3,563	3,129	434	21.63	12.96	8.67	2.90	3,762.78		1,258.60		5,021.38
A-2c(06)T													
PEAK		4,958,854	3,390,234	1,568,620	23.55	12.96	10.59	2.90	16,611,685.80		4,548,998.00		21,160,683.80
OFF PEAK	6,955	20,903,274	15,588,136	5,315,138	17.58	12.96	4.62	2.90	24,555,937.56		15,413,900.20		39,969,837.76
GENERAL SERVICES													
A-3a(66)													
	13,618	20,482,944	14,016,651	6,466,294	19.51	12.96	6.55	2.90	42,354,222.88		18,752,251.35		61,106,474.24
GRAND TOTAL	126,345	101,545,131	68,734,957	32,810,174					221,501,913.22		68,513,811.08		290,015,724.30

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

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PROCESSING DATE: 10-12-21 6:13:59pm
NEW RATE

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 11-2021
FINANCIAL YEAR: 2021/2022

PAGE #: 1

PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				VAR. CHARGES	ADJ. VAR. CHR	CLAIM		TOTAL RELIEF
					GOP	UNPL	SUBSIDY	AQTA			AQTA	ADJ. AQTA	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=9TO11
DOMESTIC													
A-1a(01)													
300-700 UNITS		7,122,963	5,139,075	1,983,888	21.23	12.96	8.27	1.65	16,406,753.35		3,273,415.12		19,680,168.46
ABOVE 700 UNITS		995,760	32,136	963,624	24.33	12.96	11.37	1.65	10,956,405.11		1,589,979.63		12,546,384.74
A-1b(03)T													
PEAK		136,610	84,070	52,540	24.33	12.96	11.37	1.65	597,381.85		86,691.30		684,073.14
OFF PEAK		547,877	357,946	189,931	18.01	12.96	5.05	1.65	959,149.78		313,385.57		1,272,535.36
COMMERCIAL													
A-2a(04)													
		1,863,790	1,059,122	804,668	21.34	12.96	8.38	1.13	6,743,116.42		909,274.65		7,652,391.06
A-2b(05)													
		0		0	23.02	12.96	10.06	2.90					
A-2c(06)T													
PEAK		0		0	24.94	12.96	11.98	2.90					
OFF PEAK		0		0	18.97	12.96	6.01	2.90					
GENERAL SERVICES													
A-3a(66)													
		108,498	79,084	29,413	20.90	12.96	7.94	2.90	233,542.63		85,298.95		318,841.58
GRAND TOTAL		10,775,496	6,751,434	4,024,064					35,896,349.13		6,258,045.21		42,154,394.35

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

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PROCESSING DATE: 29-03-22 3:08:39pm
OLD RATE

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 12-2021
FINANCIAL YEAR: 2021/2022

PAGE #: 1

PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				VAR. CHARGES	ADJ. VAR. CHR	CLAIM		TOTAL RELIEF
					GOP	UMPL	SUBSIDY	AQTA			AQTA	ADJ. AQTA	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=9TO11
DOMESTIC													
A-1a(01)													
300-700 UNITS	14,646	642,954	462,732	180,222	19.55	12.96	6.59	1.65	1,187,659.95		297,365.54		1,485,025.49
ABOVE 700 UNITS	2,076	98,867	5,995	92,872	22.65	12.96	9.69	1.65	899,929.49		153,238.77		1,053,168.25
A-1b(03)T													
PEAK		35,356	19,899	15,457	22.65	12.96	9.69	1.65	149,779.78		25,504.30		175,284.08
OFF PEAK	3,874	143,337	90,755	52,582	16.33	12.96	3.37	1.65	177,202.76		86,760.99		263,963.75
COMMERCIAL													
A-2a(04)													
	29,530	324,274	184,257	140,017	19.95	12.96	6.99	1.13	978,718.69		158,219.19		1,136,937.88
A-2b(05)													
	1	279	225	54	21.63	12.96	8.67	2.90	469.31		156.98		626.28
A-2c(06)T													
PEAK		693,434	464,115	229,319	23.55	12.96	10.59	2.90	2,428,490.54		665,025.74		3,093,516.28
OFF PEAK	6,569	2,873,980	2,212,058	661,922	17.58	12.96	4.62	2.90	3,058,080.19		1,919,574.15		4,977,654.34
GENERAL SERVICES													
A-3a(66)													
	12,029	2,272,033	1,496,442	775,591	19.51	12.96	6.55	2.90	5,080,117.78		2,249,212.45		7,329,330.23
GRAND TOTAL	68,725	7,084,514	4,936,477	2,148,036					13,960,448.48		5,555,058.10		19,515,506.58

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

PROCESSING DATE: 29-03-22 3:10:57pm
NEW RATE

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 12-2021
FINANCIAL YEAR: 2021/2022

PAGE #: 1

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PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				VAR. CHARGES	ADJ. VAR. CHR	CLAIM		TOTAL RELIEF
					GOP	UMPL	SUBSIDY	AQTA			AQTA	ADJ. AQTA	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=9T011
DOMESTIC													
A-1a(01)													
300-700 UNITS	60,933	32,025,333	22,930,890	9,094,443	21.23	12.96	8.27	1.65	75,211,043.28	-5,233,947.80	15,005,830.88		84,982,926.36
ABOVE 700 UNITS	10,051	5,944,617	228,859	5,715,759	24.33	12.96	11.37	1.65	64,988,174.37		9,431,001.56		74,419,175.93
A-1b(03)T													
PEAK		759,010	443,173	315,837	24.33	12.96	11.37	1.65	3,591,064.98	-182,642.36	521,130.80	-50,586.45	3,878,966.98
OFF PEAK	10,810	3,064,656	1,930,988	1,133,668	18.01	12.96	5.05	1.65	5,725,021.28		1,870,551.51		7,595,572.79
COMMERCIAL													
A-2a(04)													
	94,442	11,310,815	6,430,647	4,880,168	21.34	12.96	8.38	1.13	40,895,808.01	-440,997.66	5,514,589.86		45,969,400.21
A-2b(05)													
	1	1,816	1,464	352	23.02	12.96	10.06	2.90	3,539.81		1,020.42		4,560.24
A-2c(06)T													
PEAK		4,507,319	3,016,745	1,490,575	24.94	12.96	11.98	2.90	17,857,085.86		4,322,666.86		22,179,752.73
OFF PEAK	6,570	18,680,877	14,378,383	4,302,494	18.97	12.96	6.01	2.90	25,857,988.22		12,477,232.25		38,335,220.47
GENERAL SERVICES													
A-3a(66)													
		0		0	20.90	12.96	7.94	2.90		-50,083.91			-50,083.91
	13,255	15,122,562	9,930,323	5,192,240	20.90	12.96	7.94	2.90	41,226,381.63		15,057,494.55		56,283,876.18
GRAND TOTAL	196,062	91,417,005	59,291,472	32,125,534					275,356,107.45	-5,907,671.73	64,201,518.70	-50,586.45	333,599,367.97

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

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Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21		2nd Qtr Determined				Arrear claim of Incremental Units			
		Oct-20	Nov-20	Dec-20	TOTAL	Oct-20	Nov-20	Dec-20	TOTAL
Units Purchased (Gross)	Actual	1,106	965	1,110	3,181				
	T&D losses	31.95%	31.95%	31.95%			31.95%	31.95%	
	Units Lost	353	308	354	1,016				
Incremental Units	Purchases	-	-	-		-	72	123	195
Incremental Units	Sales						49	84	133
Net Purchases		1,106	965	1,110	3,181	-	72	123	195
Gross units to be sold at allowed T&D		753	657	755	2,164				
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	3.758	2.488	4.460			2.488	4.460	
	Actual (NEPRA Monthly FCA Decision)	4.051	3.257	5.996					
	FCA (NEPRA Monthly FCA Decision)	0.293	0.770	1.536					
FCA still to be passed on		103	237	544	885		-	-	
Variable O&M	Reference (Annex IV notified Tariff)	0.240	0.227	0.284			0.227	0.284	
	Actual	0.476	0.250	0.315					
	Amount Recovered Net Purchases	266	219	315	800		16	35	51
	Actual Invoiced cost by CPPA-G	527	241	349	1,117		-	-	
Under / (Over) Recovery		261	22	35	317		16	35	51
Capacity	Reference (Annex IV notified Tariff)	4.921	5.685	4.990			5.685	4.990	
	Actual Calculated	5.605	8.408	6.954					
	Amount Recovered Net Purchases	5,444	5,485	5,536	16,465		408	616	1,025
	Actual Invoiced cost by CPPA-G	6,201	8,112	7,716	22,029				
Under / (Over) Recovery		757	2,627	2,180	5,564		408	616	1,025
UoS (HVDC & NTDC) & Mo	Reference (Annex IV notified Tariff)	0.3103	0.3338	0.3068			0.3338	0.3068	
	Actual Calculated	0.4622	0.5284	0.4690					
	Amount Recovered Net Purchases	343	322	340	1,006		24	38	62
	Actual Invoiced cost by CPPA-G	511	510	520	1,542				
Under / (Over) Recovery		168	188	180	536		24	38	62
Total Under / (Over) recovered		1,290	3,074	2,939	7,302		449	689	1,138
Recovery of Fixed cost Incremental Units		-	-	-			(455)	(538)	(993)
NET QUARTERLY ADJUSTMENT		1,290	3,074	2,939	7,302		(6)	151	145

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21		3rd Qtr Determined				Arrear claim of Incremental Units			
		Jan-21	Feb-21	Mar-21	TOTAL	Jan-21	Feb-21	Mar-21	TOTAL
Units Purchased (Gross)	Actual	1,162	989	1,005	3,156				
	T&D losses	31.95%	25.50%	21.33%		31.95%	25.50%	21.33%	
	Units Lost	371	252	214	838				
Incremental Units	Purchases	-	-	-		105	53	57	215
Incremental Units	Sales					72	39	45	155
Net Purchases		1,162	989	1,005	3,156	105	53	57	215
Gross units to be sold at allowed T&D		790	737	791	2,318				
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	5.758	4.141	6.230		5.758	4.141	6.230	
	Actual (NEPRA Monthly FCA Decision)	6.653	4.783	5.586					
	FCA (NEPRA Monthly FCA Decision)	0.895	0.642	(0.643)					
FCA still to be passed on		332	162	(138)	356				
Variable O&M	Reference (Annex IV notified Tariff)	0.335	0.317	0.374		0.335	0.317	0.374	
	Actual	0.391	0.288	0.313					
	Amount Recovered Net Purchases	389	314	376	1,079	35	17	21	73
	Actual invoiced cost by CPPA-G	454	285	214	1,053				
Under / (Over) Recovery		64	(29)	(62)	(25)	35	17	21	73
Capacity	Reference (Annex IV notified Tariff)	5.663	7.605	8.587		5.663	7.605	8.587	
	Actual Calculated	7.845	8.626	6.576					
	Amount Recovered Net Purchases	6,578	7,520	8,632	22,730	596	399	487	1,483
	Actual Invoiced cost by CPPA-G	9,113	8,531	6,611	24,254				
Under / (Over) Recovery		2,535	1,010	(2,021)	1,524	596	399	487	1,483
UoSC (HVDC & NTDC) & Mo	Reference (Annex IV notified Tariff)	0.3222	0.3813	0.4110		0.3222	0.3813	0.4110	
	Actual Calculated	0.5121	0.5600	0.5020					
	Amount Recovered Net Purchases	374	377	413	1,164	34	20	23	77
	Actual invoiced cost by CPPA-G	595	554	505	1,653				
Under / (Over) Recovery		221	177	92	489	34	20	23	77
Total Under / (Over) recovered		3,152	1,320	(2,129)	2,343	666	436	532	1,634
Recovery of Fixed cost Incremental Units		-	-	-		(322)	(290)	(225)	(837)
NET QUARTERLY ADJUSTMENT		3,152	1,320	(2,129)	2,343	343	146	307	797

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21		4th Qtr Determined				Arrear claim of Incremental Units			
		Apr-21	May-21	Jun-21	TOTAL	Apr-21	May-21	Jun-21	TOTAL
Units Purchased (Gross)	Actual	1,178	1,489	1,654	4,321				
	T&D losses	21.33%	21.33%	21.33%		21.33%	21.33%	21.33%	
	Units Lost	251	318	353	922				
Incremental Units	Purchases	-	-	-		72	44	39	155
Incremental Units	Sales					57	34	31	122
Net Purchases		1,178	1,489	1,654	4,321	72	44	39	155
Gross units to be sold at allowed T&D		927	1,172	1,301	3,400				
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	6.609	5.932	5.934		6.609	5.932	5.934	
	Actual (NEPRA Monthly FCA Decision)	6.172	5.668	5.741					
	FCA (NEPRA Monthly FCA Decision)	(0.437)	(0.264)	(0.1930)					
FCA still to be passed on		(110)	(84)	(68)	(262)				
Variable O&M	Reference (Annex IV notified Tariff)	0.445	0.407	0.414		0.445	0.407	0.414	
	Actual	0.262	0.322	(0.526)					
	Amount Recovered Net Purchases	524	606	684	1,814	32	18	16	66
	Actual Invoiced cost by CPPA-G	309	480	(870)	(81)				
Under / (Over) Recovery		(215)	(126)	(1,554)	(1,895)	32	18	16	66
Capacity	Reference (Annex IV notified Tariff)	6.966	5.513	5.604		6.966	5.513	5.604	
	Actual Calculated	6.056	4.819	6.676					
	Amount Recovered Net Purchases	8,208	8,210	9,266	25,685	502	242	217	961
	Actual Invoiced cost by CPPA-G	7,136	7,178	11,039	25,354				
Under / (Over) Recovery		(1,072)	(1,032)	1,773	(331)	502	242	217	961
UoS (HVDC & NTDC) & Mo	Reference (Annex IV notified Tariff)	0.3851	0.3449	0.3520		0.3851	0.3449	0.3520	
	Actual Calculated	0.4953	0.4094	0.3700					
	Amount Recovered Net Purchases	454	514	582	1,550	28	15	14	57
	Actual Invoiced cost by CPPA-G	584	610	612	1,805				
Under / (Over) Recovery		130	96	30	256	28	15	14	57
Total Under / (Over) recovered		(1,267)	(1,147)	181	(2,233)	562	275	247	1,084
Recovery of Fixed cost Incremental Units		-	-	-		(259)	(187)	(165)	(611)
NET QUARTERLY ADJUSTMENT		(1,267)	(1,147)	181	(2,233)	304	88	82	473

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Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2021-22		2nd Qtr Determined				Arrear claim of WIP			
		Oct-21	Nov-21	Dec-21	Total	Oct-21	Nov-21	Dec-21	Total
Units Purchased (Gross)	Actual	1,217	1,056	1,236	3,509				
	T&D losses	21.33%	21.33%	21.33%			21.33%	21.33%	
	Units Lost	259	225	264	748				
Incremental Units	Purchases	80	59	70		-	47	44	
Incremental Units	Sales	63	47	55			37	34	
Net Purchases		1,137	997	1,166	3,299	-	47	44	90
Gross units to be sold at allowed T&D		957	831	972	2,760				
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	5.173	3.738	5.535			3.738	5.535	
	Actual (NEPRA Monthly FCA Decision)	9.918	8.040	8.632					
	FCA (NEPRA Monthly FCA Decision)	4.745	4.302	3.097					
FCA still to be passed on		1,231	969	816	3,017				
Variable O&M	Reference (Annex IV notified Tariff)	0.352	0.299	0.403			0.299	0.403	
	Actual	0.364	0.259	0.289					
	Amount Recovered Net Purchases	400	298	469	1,168		14	18	32
	Actual Invoiced cost by CPPA-G	443	273	357	1,073				
Under / (Over) Recovery		43	(25)	(112)	(95)		14	18	32
Capacity	Reference (Annex IV notified Tariff)	7.883	9.954	9.244			9.954	9.244	
	Actual Calculated	9.074	7.732	6.735					
	Amount Recovered Net Purchases	8,960	9,920	10,777	29,658		466	403	869
	Actual Invoiced cost by CPPA-G	11,039	8,165	8,325	27,530				
Under / (Over) Recovery		2,079	(1,755)	(2,452)	(2,128)		466	403	869
UoS (HVDC & NTDC) & MoF	Reference (Annex IV notified Tariff)	0.4165	0.4404	0.4258			0.4404	0.4258	
	Actual Calculated	0.8774	0.7160	1.3255					
	Amount Recovered Net Purchases	473	439	496	1,409		21	19	39
	Actual Invoiced cost by CPPA-G	1,067	756	1,638	3,462				
Under / (Over) Recovery		594	317	1,142	2,053		21	19	39
Total Under / (Over) recovered		3,946	(494)	(605)	2,847		501	439	940
Recovery of Fixed cost Incremental Units		(401)	(383)	(327)	(1,112)		(302)	(203)	(505)
QUARTERLY ADJUSTMENT		3,545	(877)	(933)	1,735		198	236	434
Kot Addu Power Plant Capacity Charges and legal charges				(278)	(278)				
NET QUARTERLY ADJUSTMENT					1,457				434

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Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2021-22		3rd Qtr (Filed)				3rd Qtr (Determined)				Arrear claim of WIP			
		Jan-22	Feb-22	Mar-22	Total	Jan-22	Feb-22	Mar-22	Total	Jan-22	Feb-22	Mar-22	Total
Units Purchased (Gross)	Actual	1,243	1,080	1,110	3,433	1,243	1,080	1,110	3,433				
	T&D losses	21.33%	21.33%	21.33%		21.33%	21.33%	21.33%		21.33%	21.33%		
	Units Lost	265	230	237	732	265	230	237	732				
Incremental Units	Purchases	107	99	65		105	97	65		2	2		
Incremental Units	Sales	84	78	51		83	76	51		2	1		
Net Purchases		1,135	981	1,045	3,161	1,137	982	1,045	3,165	2	2		4
Gross units to be sold at allowed T&D		978	849	873	2,700	978	849	873	2,700				
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	6.512	4.252	6.230		6.512	4.252	6.230		6.512	4.252		
	Actual (NEPRA Monthly FCA Decision)	12.461	9.105	9.098		12.461	9.105	9.098					
	FCA (NEPRA Monthly FCA Decision)	5.949	4.853	2.868		5.949	4.853	2.868					
FCA still to be passed on		1,577	1,118	679	3,374	1,577	1,118	679	3,374				
Variable O&M	Reference (Annex IV notified Tariff)	0.489	0.346	0.374		0.489	0.346	0.374		0.489	0.346		
	Actual	0.431	0.359	0.348		0.431	0.359	0.348					
	Amount Recovered Net Purchases	555	340	391	1,285	556	340	391	1,287	1	1		2
	Actual Invoiced cost by CPPA-G	536	388	386	1,310	536	388	386	1,310				
Under / (Over) Recovery		(19)	48	(4)	25	(20)	48	(4)	23	1	1		2
Capacity	Reference (Annex IV notified Tariff)	7.873	8.913	8.587		7.873	8.913	8.587		7.873	8.913		
	Actual Calculated	7.076	7.920	7.084		7.076	7.920	7.084					
	Amount Recovered Net Purchases	8,939	8,741	8,973	26,653	8,955	8,756	8,973	26,684	15	15		31
	Actual Invoiced cost by CPPA-G	8,794	8,551	7,864	25,209	8,794	8,551	7,864	25,209				
Under / (Over) Recovery		(145)	(190)	(1,109)	(1,444)	(161)	(205)	(1,109)	(1,475)	15	15		31
UoSC (HVDC & NTDC) & MoF	Reference (Annex IV notified Tariff)	0.3695	0.4079	0.4110		0.3695	0.4079	0.4110		0.3695	0.4079		
	Actual Calculated	0.8379	0.8934	0.8665		0.8379	0.8898	0.8665					
	Amount Recovered Net Purchases	420	400	429	1,249	420	401	429	1,250	1	1		1
	Actual Invoiced cost by CPPA-G	1,041	965	962	2,968	1,041	961	962	2,964				
Under / (Over) Recovery		622	565	532	1,719	621	560	532	1,713	1	1		1
Total Under / (Over) recovered		2,034	1,541	99	3,674	2,017	1,520	99	3,636	17	17		34
Recovery of Fixed cost Incremental Units		(395)	(588)	(259)	(1,242)	(388)	(578)	(259)	(1,225)	(7)	(10)		(17)
QUARTERLY ADJUSTMENT		1,639	953	(160)	2,432	1,629	942	(160)	2,411	10	6		16
Kot Addu Power Plant Capacity Charges and legal charges								204	204				
NET QUARTERLY ADJUSTMENT					2,432				2,615				16

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**National Electric Power Regulatory Authority
Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-8208500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-511/PESCO-2019/45587-45589
December 14, 2020

Subject: Determination of the Authority in the matter of Petition filed by Peshawar Electric Supply Company Ltd. (PESCO) for Determination of its Supply of Power Tariff for the FY 2018-19 & FY 2019-20 [Case # NEPRA/TRF-511/PESCO-2019]

Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with Annex-I, I-A, II, III, IV & V (62 Pages) in Case No. NEPRA/TRF-511/PESCO-2019.

2. The Determination is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Supply of Power of Electric Power Act, 1997.

3. The Determination of the Authority along with Annex-II & III (separately for FY 2018-19 and FY 2019-20), Annex-I, I-A, IV & V are to be notified in the official Gazette.

Enclosure: As above


 14 12 20
 (Syed Safeer Hussain)

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

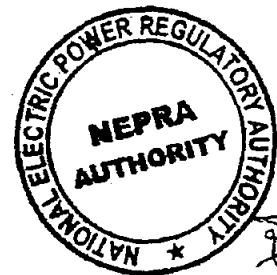
115



1. **Background**

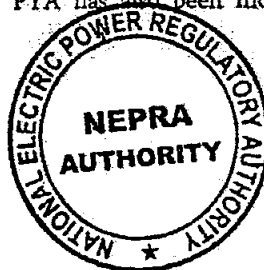
- 1.1. The amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was passed by the National Assembly on 15th March, 2018, which was published in the official Gazette on 30th April 2018 (the "Amendment Act"), resulting in restructuring of the energy sector.
- 1.2. As per the amended Act, function of sale of electric power traditionally being performed by the Distribution Licensees has been amended under Section 21(2)(a), whereby 'sale' of electric power has been removed from the scope of 'Distribution Licensee' and transferred to 'Supply Licensee'.
- 1.3. Section 23E of the Act, provides NEPRA with the powers to grant Electric Power Supply License for the supply of electric power. Section 23E(1), however, provides that the holder of a distribution license on the date of coming into effect of the Amendment Act, shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date. Thus, all existing Distribution Licensees have been deemed to have Power Supplier Licenses, to ensure distribution licensees earlier performing both the sale and wire functions, can continue to do so. Section 23E, further states that the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, and shall include, provision with respect to a supplier of the last resort, as the case may be.
- 1.4. As per Section 23F (2)(b), the Supplier possess the right to make sales of electric power to consumers within their specified territories on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority.
- 1.5. In view thereof, Peshawar Electric Supply Company Limited (PESCO), hereinafter called "the Petitioner", being a Distribution as well as deemed Supplier filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff for the FY 2018-19 and FY 2019-20, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.6. The Petitioner, inter alia, has requested for a Supply of Power Tariff of Rs.206,176 million i.e. Rs.22.72/kWh and Rs.213,990 million i.e. Rs.23.26/kWh for the FY 2018-19 and FY 2019-20 respectively as detailed below; The Supply Tariff includes Power Purchase Price (PPP) of Rs.165,698 million and Distribution Margin of Rs.20,060 million of the FY 2018-19 and Rs.166,424 million and Rs.22,299 million for the FY 2019-20 respectively.

Description	Unit	Rs. Mln	
		FY 2018-19	FY 2019-20
Power Purchase Cost	Mln Rs.	165,698	166,424
O&M	Mln Rs.	13,587	14,579
Depreciation	Mln Rs.	307	338
Return on Regulatory Asset Base (RoRB)	Mln Rs.	1,203	1,384
Other Income	Mln Rs.	(861)	(920)
Financial Charges	Mln Rs.	4,758	5,500
PYA & Turnover Tax etc.	Mln Rs.	1,424	4,386
Revenue Requirement Supply Function	Mln Rs.	186,116	191,691
Revenue Requirement Distribution Function	Mln Rs.	20,060	22,299
Total Revenue Requirement	Mln Rs.	206,176	213,990
Units to be Sold	GWh	9,074	9,200
Average Sale Rate	Rs./kWh	22.72	23.26





- 26.2. The Prior Year Adjustment includes the impact of variation in the following:
- Difference between the actual PPP billed and the amount recovered by the DISCO.
 - Difference between the assessed DM and the amount actually recovered.
 - Difference between the previously assessed PYA and the amount actually recovered.
 - Difference between actual other income and the amount allowed
 - Variation due to Sales Mix.
- 26.3. It is important to highlight that variation between the PPP billed to DISCOs by CPPA-G and the amount recovered by the DISCOs are being accounted for separately through Quarterly/Bi-Annual Adjustment mechanism, therefore, the instant PYA includes accounts for the remaining components.
- 26.4. Here it is also pertinent to mention that the Authority through its interim decision dated September 27, 2019, in the matter of requests filed by Ministry of Energy (MoE) regarding Annual adjustment / indexation of Distribution Margin of DISCOs, allowed an amount of Rs.3,817 million as Interim adjustment to the Petitioner, strictly on provisional/ interim basis, subject to its adjustment once the annual adjustments of the Petitioner is finalized by the Authority. The said decision was notified by the Federal Government w.e.f. October 01, 2019 and would continue till September 30, 2020, whereby, the Petitioner has been allowed to recover the said amount through monthly billing as a separate tariff component. In view of thereof and the considering the fact that the Petitioner's tariff petitions for the FY 2018-19 and FY 2019-20 are being finalized, the amount of Rs.3,817 million allowed on interim basis, has been adjusted back through PYA. Any under recovery of the allowed Interim DM would be adjusted subsequently as PYA.
- 26.5. The Authority in line with its earlier decision in the matter of negative FCA, has calculated the impact of negative FCA pertaining to the FY 2019-20 in the matter of lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers which has been retained by the Petitioner. The Authority also considered the relevant clauses of the S.R.O. 189 (1)/2015 dated March 05, 2015 issued by GoP and the amount of subsidy claims filed by the Petitioner for the FY 2019-20, which shows a net subsidy claim filed by the Petitioner.
- 26.6. The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs and in line with its earlier decision in the matter, has decided not to adjust the impact of negative FCA across different consumer categories. Thus, the negative FCA amount pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers for the FY 2019-20 i.e. Rs.103 million, which is still lying with the Petitioner, must be adjusted by the Federal Government, against the overall Tariff Differential Subsidy claim in the matter of the Petitioner eventually reducing GOP's overall Tariff Differential Subsidy burden. This decision of the Authority is only applicable under a subsidy regime, whereby aforementioned classes of consumers are receiving subsidy directly in their base tariff. Here it is pertinent to mention that the above figures have been worked on the basis of information provided by the Petitioner.
- 26.7. In addition to above, any over / under recovery of the assessed Distribution Margin for the FY 2017-18 and any previously allowed PYA has also been included as PYA of the Petitioner.



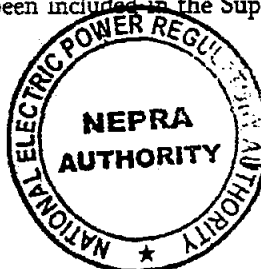


26.8. Further, since the FY 2018-19 for which the assessment is being made has already lapsed, therefore, any over / under recovery by the Petitioner in terms of its assessed Revenue Requirement for the FY 2018-19 vis a vis the amount actually recovered by the Petitioner during the same period based on the tariff that remained notified during this period, and Sales Mix for the FY 2018-19, has also been included in the Prior Year Adjustment (PYA), while determining the PYA of the Petitioner for the FY 2019-20.

26.9. Based on the discussion made in the above paragraphs, the Authority has assessed the following PYA of the Petitioner for the FY 2018-19 and FY 2019-20;

Description	Rs. Mn	Rs. Mn
	FY 2019-20	FY 2018-19
PYA 2017		
Allowed	(1,886)	(1,886)
Recovered	(1,796)	(1,796)
Under/(Over) Recovery	(90)	(90)
PYA 2018		
Allowed	26,207	26,207
Recovered	27,054	27,054
Under/(Over) Recovery	(847)	(847)
Distribution Margin FY 2017-18		
Allowed	19,176	19,176
Recovered	17,088	17,088
Under/(Over) Recovery	2,088	2,088
Interim DM Adjusted Back	(3,817)	(3,817)
D.M FY 2018-19		
Allowed	19,507	
Recovered	18,655	
Under/(Over) Recovery	853	
Other Income FY 2017-18		
Allowed	(2,160)	(2,160)
Actual	(2,522)	(2,522)
Under/(Over) Recovery	(362)	(362)
Bad Debts		
Allowed	15,748	15,748
Revised allowed based on regulated sales	14,997	14,997
Adjustment	(14,997)	(14,997)
Sales Mix Variances		
FY 2017-18	(33)	(33)
FY 2018-19	(5,211)	
Total	(5,244)	(33)
Turn Over/Advance Tax	2,023	
Total Prior Period Adjustment	(20,393)	(18,057)

26.10. The Petitioner in its working has claimed the entire amount in its Supply Function, therefore, the entire amount of PYA has been included in the Supply function Revenue Requirement of the Petitioner.



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Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-8206500, Fax: +92-51-2800026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-564/PESCO-2021/8685-8687

June 2, 2022

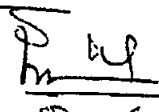
Subject: **DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY PESHAWAR ELECTRIC SUPPLY COMPANY LTD. (PESCO) FOR DETERMINATION OF DISTRIBUTION TARIFF UNDER MYT REGIME FOR THE FY 2020-21 TO FY 2024-25 [CASE # NEPRA/TRF-564/PESCO-2021]**

Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with additional note of Engr. Rafique Ahmed Shaikh, Member NEPRA (93 Pages) in Case No. NEPRA/TRF-564/PESCO-2021.

2. The Determination is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above


20622
(Syed Safeer Hussain)

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

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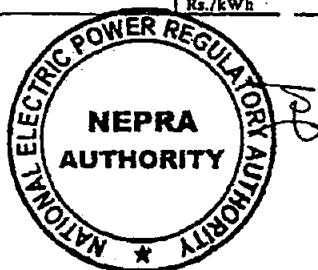


1. **Background**

- 1.1. The amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was passed by the National Assembly on 15th March, 2018, which was published in the official Gazette on 30th April 2018 (the "Amendment Act"), resulting in restructuring of the energy sector. One of the fundamental changes as per the amendment Act is the introduction of a competitive retail energy sector, wherein, supply function has been segregated from the distribution license.
- 1.2. As per the amended Act, function of sale of electric power traditionally being performed by the Distribution Licensees has been amended under Section 21(2)(a), whereby 'sale' of electric power has been removed from the scope of 'Distribution Licensee' and transferred to 'Supply Licensee'.
- 1.3. The newly introduced section 23(E) of the Act, provides NEPRA with the powers to grant Electric Power Supply License for the supply of electric power. As per Section 23E(1), the holder of a distribution license on the date of coming into effect of the Amendment Act, shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date. Thus, all the existing Distribution Licensees have been deemed to have electric Power Supplier Licenses, to ensure distribution licensees earlier performing both the sale and wire functions, can continue to do so. Section 23E, further states that the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, and shall include, provision with respect to a supplier of the last resort, as the case may be.
- 1.4. As per Section 23F (2)(b), the Supplier possess the right to make sales of electric power to consumers within their specified territories on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority.
- 1.5. In view thereof, Peshawar Electric Supply Company Limited (PESCO), hereinafter called "the Petitioner", being a Distribution company as well as deemed Supplier filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff under the MYT Regime for a period of five years i.e. from FY 2020-21 to FY 2024-25, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.6. The Petitioner, inter alia, has requested for a distribution cost for the five years period as detailed below;

Requested Revenue Requirement - Distribution Business

Description	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Investment	Min Rs.	10,213	14,041	13,354	11,550	7,411
Units Received	GWh	15,206	15,632	16,070	16,519	16,982
Units Lost	GWh	5,756	5,757	5,750	5,735	5,713
% of T&D Losses	%	37.85%	36.83%	35.78%	34.72%	33.64%
Units Delivered	GWh	9,450	9,875	10,320	10,784	11,269
O&M	Min Rs.	16,667	18,301	20,246	22,857	25,597
Depreciation	Min Rs.	3,000	3,416	3,812	4,154	4,373
Return on Regulatory Asset Base (RoRB)	Min Rs.	4,957	5,725	6,725	7,521	7,929
Other Income	Min Rs.	(2,611)	(2,872)	(3,159)	(3,475)	(3,823)
Distribution Margin	Min Rs.	22,013	24,571	27,623	31,057	34,076
Net Average Sale Rate	Rs./kWh	2.33	2.49	2.68	2.88	3.02

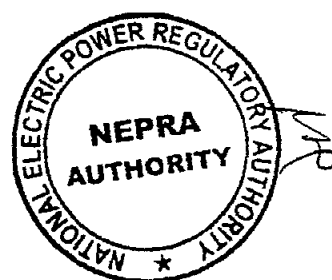


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Description	Rs. Mn PESCO
1st & 2nd Qtr. FY 2018-19	
Allowed Amount	25,120
Qtr. Rs./kWh	2.1699
Recovered	29,055
Under/(Over) Recovery	(3,935)
3rd & 4th Qtr. FY 2018-19	
Allowed Amount	5,443
Qtr. Rs./kWh	0.5877
Recovered	5,963
Under/(Over) Recovery	(520)
Interim D.M FY 2018-19	
Allowed Amount	3,817
Qtr. Rs./kWh	0.4121
Recovered	4,181
Under/(Over) Recovery	(364)
1st Qtr. FY 2019-20	
Allowed Amount	2,865
Qtr. Rs./kWh	0.3093
Recovered	3,157
Under/(Over) Recovery	(292)
Distribution Margin FY 2019-20	
Allowed	23,376
Recovered	19,839
Under/(Over) Recovery	3,537
Other Income FY 2019-20	
Allowed	(2,940)
Actual	(3,467)
Under/(Over) Recovery	(527)
Sales Mix Variances	
FY 2019-20	(5,345)
	(5,345)
MLR FY 2018-19 & FY 2019-20	
RORB	656
Other Exp without PEPCO Fee	50
Tax Payments	3,008
PYA of FY 2018-19	1,737
	5,451
Distribution Margin FY 2020-21	
Allowed	23,376
Recovered	22,188
Under/(Over) Recovery	1,188
Total Prior Period Adjustment	(6,259)



- 64.5. The Authority in line with its earlier decision in the matter of negative FCA, has calculated the impact of negative FCA pertaining to the FY 2019-20 in the matter of lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers which has been retained by the Petitioner. The Authority has also worked out the impact of positive FCAs not recovered by the Petitioner from life line consumers. The Authority

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IMPACT OF FCA DURING COVID PERIOD

Mln Rs.

Sr. No.	Month	Actual Unit Sold	Exempt Units- Actual*	Net Units For FCA	FCA Rate	FCA Passed On
IMPACT OF POSITIVE FCA						
1	Nov-19	704	3	701	0.9824	688
2	Dec-19	612	3	609	1.8779	1,143
3	Jan-20	654	4	650	1.1108	723
4	Feb-20	643	4	640	1.2051	771
5	Mar-20	606	4	602	0.1069	64
Total Impact of Positive FCA not passed on to the consumers						3,389
IMPACT OF NEGATIVE FCA						
6	Apr-20	679	342	337	(0.7040)	(237)
7	May-20	586	345	241	(1.2517)	(302)
8	Jun-20	832	441	391	(1.0581)	(414)
Total Impact of Negative FCA not passed on to the consumers						(953)
Total		5,317	1,146	4,171	0.5840	2,436

* Exempt Units includes units supplied to the consumers under the category of Lifeline, Domestic (up to 300 units) and Agriculture supplies during the above period.

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**PESHAWAR ELECTRIC SUPPLY COMPANY**

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 766 /Co:Sec

Dated 03/06/2021

BOARD RESOLUTION

Board of Directors PESCO through circulation RESOLVED to authorize Chief Executive Officer and other Officers of PESCO to file Multi Year Tariff Petition, Review Motion (If required) and subsequent adjustments / details etc with NEPRA (Separately for two licensed activities i.e Distribution Business and Supply Business) for the period from FY 2020-21 to FY 2024-25.

He along with other officers of the Company are hereby authorized to sign individually or jointly the necessary documents, appear before the Authority when needed and do all acts necessary for completion and processing of the application.

Certified True Copy

COMPANY SECRETARY
PESCO
03-06-2021

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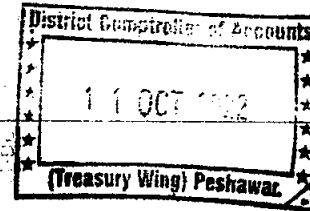


Deponent

Dated: 19-10-22 /2023

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۱۹/۱۰/۲۲ هجری پیکو ویز کمشنر انٹلیجنس، پشاور



[Signature]
MIAN ZAHIR ULLAH
S/O MIAN MUSHARAF CHAH
Stam Vendor
LIC/403/ADC(P) HC Issued Dated 01-07-2022
High Court Peshawar
Peshawar Treasury Peshawar